

FINANCIALTIMES

No. 28,822

Monday July 12 1982

Opec conference fails

and production limits

THE CONFERENCE in Vienna free varieties-refused to agree over the rate at which inven-

ening to reduce the \$34 reference price of their Arahlan light crude, the Opec market

price, in retaliation.
Only twice, in the early 1960s, has an Opec conference

been suspended, although others

that special allowance should be made for Iran—and also

conflict and a repair of its

The expectation is that the conference would he resumed

after the next meeting of Opec's

monitoring committee, due on August 24. By then, the four-man ministerial committee and

its experts will have studied the

market further. The hope is

that demand would have revived

sufficiently to raise the produc-

tion ceiling to accommodate

higher output by several

rescue Banco Ambrosiano

Ambrosiano, 'wose ex-San Paolo di Torino; and the was a request by the Bank of chairman, Sig Roberto Calvi, three private-sector banks, Italy to explain the exposure was found dead hanging from Banca Populare di Milano, that apparently precipitated the Blackfriars Bridge in London Banca San Carlo di Brescia, and flight of Sig Calvi.

private banks are all based, like

Banco Ambrosiano, in Lom-

Credito

ances that they will immediately make available funds to

Bergamasco.

At the time of Slg Calvi's

death, he baving disappeared

in Italy a week earlier, the Bank of Italy and the Treasury

appointed three commissioners

to run and investigate the

Their activity has concen-

the bank, was to the extent of \$1.4bn and in the form of loans by Banco Ambrosiano's

ments of Ambrosiano, Italy's trated on identifying and trying banks declared themselves will-

banking subsidiaries in Latin

U.S. economy 'to grow 4-5%'

THE Reagan Administration is cil of Economic Advisers and due to publish this month an the Office of Management and official forecast for U.S. the Budget.

The Reagan Administration is cil of Economic Advisers and revealed yet but are believed to be in line with the projections agreed between the White Economic growth of 4 to 5 per In addition to growth estimates and the congressional

cent for the six quarters from

mid-1982 to the end of 1983, it is expected to show the infla-

tion rate at about 6.5 per cent

throughout the period (as

measured by the gross domestic

products deflator).
Unemployment will be projected to drop from 9.5 per

cent to just over 9 per cent at the eod of 1932 and an average

The mid-year review is

required by law to help with

Congressional budget planning.

Normally it should be published

by July 15 but this date is un-

leaked over the week-end, may

still be revised.

The six banks are the state- America to other companies for

Italiano (IMI) and Instituto borrowed on the Euromarket It

to cover, the overseas exposure ing to help in principle.

of the bank was to the extent

The six banks will immedia

In addition to growth esti-mates of between 4 and 5 per budget committees earlier this

of about 8.5 per cent in 1983. of prosperity with less than 5

likely to he met. The forecasts, was working on further big cuts

before then.

uoemployment"

have owned Banca Nazionale del unspecified purposes. The vailable Lavoro, Instituto Mobiliare money to make the loans was

Italian banks agree to

to agree on prices

BY RICHARD JOHNS, MIDDLE EAST EDITOR

The auspension will make it

more difficult for Opec to defend

its price structure and the \$34

a-barrel reference price for

Opec has failed to agree on

bow to enforce a limit on col-lective output of 17.5m barrels

raised by Saudi Arabia, over

the differential to be charged for premium African crudes—

The organisation as a whole

has been forced to recognise that its first production-sbaring agreement, reached only last

March, has fallen apart when

The failure to agree resulted

Iran's determination to in-

crease its exports of crude to

3m h/d as quickly as possible.

It is also continuing its refusal to align its prices with the official prices of other members.

Libya's adamancy in dismiss-

ing complaints that It was

exceeding the 800,000 b/d quota

it agreed to observe in March.

It claims a 1.2m b/d allocation.

BY JAMES BUXTON IN ROME

SIX ITALIAN public- and private-sector banks have agreed to make funds available

to meet the needs of Banco

The rescue operation was put

lasted until the early bours of bardy.

together, in a meeting which

Saturday, by Sig Carlo Azeglio

Cimpi, Governor of the Bank of Italy, and Sig Nino

Andreatta, the Treasury Minis-

The banks have given assur-

meet the sbort-term require-

largest private bank, and bave

also said they will act to

guarantee the interests of depo-

sitors and the continuity of

cent annually from now until

the end of 1983. Officials who disclosed the

general outline of the mid-year

economic review have conceded,

however, that they ma ybe over-

independent projections of

growth over the next 18 months

are mostly in the 2 to 4 per

cent range. The Organisation of Economic Co-operation and

Development last week forecast growth in the U.S. of only 2.4

have suggested the mid-year

forecasts are relatively bullish

face claims of at least \$65m (£37.66m) arising from Friday

night's crash of a Pan-American Boeing 727 in New Orleans. It

was one of the worst air disas-

Underwriters also face years

of litigation as individual court

awards over liability cases are

Some Administration officials

insurers

per cent during 1983.

INTERNATIONAL

ters in the U.S.

untangled.

London

optimistic.

BY ANATOLE KALETSKY IN WASHINGTON

on June 18.

the oil market remains soft.

upset hopes for agreement.

of the Organisation of to a rise in the differential Petroleum Exporting Countries charged for their .oil. The was suspended without agree-present \$1.50 differential was

ment at the weekend—the first set in March, but Saudi Arabia time this has happened in recent years.

set in March, but Saudi Arabia is demanding that It be raised to \$3. The Saudis are threat-

lective output of 17.5m barrers
lective output of 17.5m barrers
per day (b/d), which is promise. One experience
considered neressary by most
members—at least for the next
the "most politicised ever" as
a result of Iran's demand for
increased share of the

individual production alloca- an increased share of the tions—and a contentious issue. market at Saudi Arabia's ex-

• Algeria, Libya and Nigeria—

Yet there are doubts as to the three producers of highquality, ultra-light and sulpbursoon because of uncertainty





CONTINENTAL SELLING PRICES: AUSTRIA Sch. 15; BELGIUM Fr 35; DENMARK Kr 6.50; FRANCE Fr 5.00; GERMANY DM Z.O; ITALY L 1,000; NETHERLANDS FI 2.25; NORWAY, Kr 6.00; PORTUGAL Esc 50; SPAIN Pt. 85; SWEDEN Kr 6.00; SWITZERLAND Fr 2.0; EIRE 50g; MALTA

consumer countries. As it was,

ference an extension of the ceil-

ing, and the economic experts

were in favour of keeping it in place throughout the third quarter of the year.

by Iran's particularly aggressive stance, evidently fired by

the military dominance it re-

cently achieved over Iraq. Tehran demanded that its quota

be raised, at Saudi Arabia's ex-

he at least 2.2m b/d. Other oll

much at 2.5m-2.6m b/d, with

based on the \$34 reference.

There are doubts whether

Iran could maintain an ontput

of much more than 2.6m h/d

until essential service or

maintenance, neglected since the revolution, bas been done.

Iran's hostility to Saudi

Arabia could be measured by

reporters yesterday. He warned

If Iran were deprived of wbat

Continued on Back Page

It now appears that the total

exposure of the bank, not covered by the bank's own

funds, amounts to a little less

The Bank of Italy's initiative

with the six backs appears to supersede a move by the Associ-

ation of Italian Banks (ABI),

which organised on Friday

morning a meeting of about 20 banks with the commissioners

of Banco Ambrosiano. These

tely make available stand-by

credit to assist Banco Ambro-

Continued on Back Page

year. These call for sharp falls late in 1983 and in 1984 but

relatively modest declines

Mr David Stockman, the

White House Budget Director,

in a magazine interview pub-

lished yesterday, significantly gave late 1983 or early 1984 as

the time the nation could expect to enter "a long period

per cent inflation, falling

interest rates and declining

He said the Administration

in the budget deficit for the

1984 fiscal year but ruled out

than Slbn.

"dangerous consequences"

That allocation

Iran's recent

accepted by Iran.

The conference was marked

NEWS SUMMARY

GENERAL

Artillery seeks battle rages in Beirut councils

Beirut engaged in one of the fiercest artilicry battles of the fighting yesterday. In Jeru-salem, the Cabinet expressed deep concern about the atalemate in diplomatic efforts to persuade the PLO to withdraw from the capital.

trapped responded to heavy Israeli bombardment by lannching east Beirut, the first attacks on the Christian balf of the city in the fighting. Back Page Belrut prison was surrounded by armed men, apparently prisoners relatives, who forced the release of all 188 inmates, and locked up the governor

World Cup

World Cup.

Italy beat West Germany 3-1 re-elected Havelange, president of the international football federation, criticised Spain's organisation of the

Arms talks end

armament broke up in discord, adopting a report expressing orders. Page 3 fears about the danger of muclear war but offering no proposals for dealing with it.

Uister poli date

Northern Ireland voters will. elect a pew Assembly on October 20, the first since the collapse of the 1975 constitutional convention. Page 4

Spadolini wins

ment and committed it to introducing an urgent economic package. Page 2

Gulf war claim

Iran said that, although Iraq claims to have withdrawn its troops to the border, it still beld large areas of western Iran.

Tank amok

A U.S. private stole a tank from his base in West Germany and drove it through Mannheim, causing damage worth DM 2m (£465,000). He drowned when it plunged into he Neckar river.

Canberra home

SS Canberra, liner turned troop carrier, was welcomed by an armada of small craft and a crowd of 50,000 as it returned from the south Atlantic to Southampon. Page 3

Fighter downed

Somalia said it shot down an Ethioplan MiG-23 jet fighter attacking Galcalo, capital of the northern Mudug region.

Minister charged Malaysian Government Minister Mokhiar Hashim was charged. with four others, with shooting dead a former speaker of a Malaysian state assembly.

Bank curb call

More Government control over the banking system, including nationalisation of the hig four clearing banks, has been recommended to the Labour Party home policy committee.

Briefly . . .

Two Hong King-Macau hydrofail ferries collided, killing two

people and injuring 78. Nine died when a van plunged over a cliff in Sivas, east Turkey. et European eu

BUSINESS

Heseltine £1bn for

Environment Secretary, is arguing in Cabinet for at least £1bn to be added to the money available to English local anthorities in 1983-84. Back Page

● CBI is urging the Govern-ment not to finance public sector pay increases out of the contingency reserve. Back Page

• ROYAL COLLEGE of Nursing mebers are unlikely to accept the Government's 7.5 per cent pay offer, Page 6

EDUCATION financing by block grant, an idea being considered by the Cahinet, would cost £2.7bn, adding 3p to the basic rate of Income Tax or 4.3 percentage points to Value Added Tax. Page 3

• CAR PRODUCTION in the world's major markets will recover, but the British motor iodustry will not share in the benefits, says a report. Page 3

· PLESSEY and BICC claim to have won over 55 per cent of all British Telecom's con-The UN special session on dis- tracts for optical fibre systems following a new round of

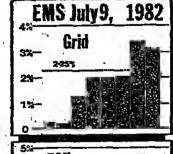
• EEC has approved a £350m loan to Brazil, the largest made to a none-member, to finance the development of the Carajas iron ore mining pro-

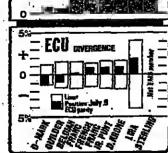
• ARGENTINA has announced 30 per cent salary increases for the private sector. Page 2

· MERCHANT tonnage laid up has reached a feur-year high.

Italian Premier Glovenal Spedo-lini won a vote of confidence for his shaky coalition govern-funken, the West German elec-funken, the West German electrical and electronics group, if the workforce continues its op nosition to the UK company's involvement, said Lord Weinstock, GEC chief executive.

> ● A FAIRLY quiet period for the European Monetary System enabled central hanks in France and Belgium to reduce domestic interest rates. The French and Belgian francs remained well above the D-Mark. The German currency was again the weakest member of the system, slightly below the Dutch guilder, but recent experience suggests that these are the two currencies most likely to strain the upper limits of the EMS. Attention was concentrated on the dollar last week. It again touched re-European currencies.





Spanish painter Joan Miro. 89, The chart shows the two constraints on European Monetary System exchange rairs. The upper grid based on the operations.

The chart shows the two constraints on European Monetary System exchange rairs. The upper grid based on the weakest currency in the system defines the cross raics from which no currency. except the liral may more more than 22 per cont. The lower chart gives each currency's divergence from the Control rate Against the European Gurrency Unit (EGU) itself a basket

– CONTENTS –

petrochemical in won't go away 11 Editorial comment: Steel, Week in the Courts: quotas and free trade; Deptford - a vacuous IDA's need for western

electronic com-

Lomburd
Management
Management
Man & Maitors
More & Mactors
Moresous News
Parlamentary Diary

Information 20. 21

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ANNIAL STATEMENTS

for political reasons—so as not to aggravate the fears of grow-ing budget deficits in the year ahead.

The Administration's estireductions in defence spending
mates of interest rates over the
pared by the President's Counrest 18 months have not been this. Insurers face \$65m air crash claims BY JOHN MOORE, CITY CORRESPONDENT

Up to 13 per cent of the bull insurance is thought to be come into London, with more placed in London and the re- than \$3m falling on Lloyd's. mainder in world markets. Of the amount placed in London, more than \$300,000 of the of third party llability. The risk is believed insured at

Lloyd's. By far the largest part of claims will arise from the liability cover underwriters underwriters esti- have assumed. At least \$400,000 mated that their overall loss on per person killed on the flight, the aircraft bull could be about believed to be about 145, is the claims which would be met

More than \$7m of these could The unknown factor in assessing claims is the extent suburb of Kenner, just outside New Orleans, was badly damaged in the crash and other

insurance claims are likely.
Insurance officials in London said Pan-Am would have more than adequate cover to absorb

Coal Board says pay rises will depend on productivity

By John Lloyd, Labour Editor

THE NATIONAL COAL Board will respond to the mineworkers' pay claim by telling them that wage increases for the coming year must be based largely on productivity improvements.

This position, which the board is determined to uphold in face of the militant posture taken by the National Union of Mineworkers, is certain to lead to further loss of jobs In the ludustry, since the market for coal is unlikely to pick np. and stocks remain dangeronsly high.

Some 18,000 miners have left the industry in the past two years.

pense, to 3m b/d, compared to 1.2m b/d set for it in March. The NUM pay claim is likely to be formulated at a meeting of its executive on Tbursday, following the decision of its annual conference reckoned hy other members to in Inverness last week to demand a rise of £27.20-31 per cent-in surface workers' Irao, when an end to their Gulf industry experts put it at as pay, with the same flat rate increase for all other grades. facilitles made that possible— up to 2.1m-2.2m b/d exported but any relief would have to at prices \$3.56 per harrel less await recovery of demand for than the Opec structure price That conference made clear

that the leadership saw protection of jobs, and thus militant opposition to pit closures, as even more important than wages. The NCB response is thus

bound to aggravate the strained relations between it and the NUM executive, especially Mr Arthur Scargill, the venom shown by Mr Mohamed Gharazi, its Oil Minister, when talking to the president. However, the Board has little room for manoeuvre. It

already bas 81 per cent of the electricity market, and can increase that only marginally. customers in industry, but finds others wary of the NUM's new president, and of

security of supply; and it finds it all but impossible to compete successfully in export markets heavily subsidised against

It also sees itself as ham-pered by the lack of dialogue hetween the nnion and itself since Mr Scargill took over

Discussions on further investment hroke down last month over the issue of a closure list, which Mr Scargill says exists and the NCB denies, but the NCB is desperately anxions to get round the table once more. .

It helieves it has more in common with Mr Scargill than has been evident, including a belief that miners must stay at the bead of the Continued on Back Page

BR may decide tomorrow to shut rail network

BY BRIAN GROOM, LABOUR STAFF

in train drivers reporting for work this morning appeared slim last night. Without this increase the rail board may decide tomorrow to shut the network or sack all striking drivers.

Mr Ray Buckton, general ecretary of the Associated Society of Locomotive Engin-eers and Firemen, said Aslef branch meetings throughout the the week-old strike over flexible

with the union," he said. Most votes were uoanimous.

There was little independent corroboration for Mr Buckton's claim but other Aslef officials suggested the mood was hardening for two reasons. One was anger over the sacking threat and the other was support for Aslef in weekend speeches by Mr Michael Foot, the Labour Party leader, and Albert Booth, shadow transport secretary.

The party leadership's deci-sion to back Aslef carries some risk of splitting the labour move-

Mr Sidney Weighell, general secretary of the National Union the leader of the Labour Party 4.5 per cent of those rostered is to look at the facts before be for work. makes a statement."

prepared for the Durham slow drift back to work had miners' gala on Saturday — a section he did not deliver — British Rail suggested that a Mr Foot, in part of a speech said the British Rall board bad shown an "extraordinary desire to pick a fight. "Pirst it was with the NUR.

Now it is with Aslef. Aslef bave a strike and got one."

Mr Walter Johnson, Labour white-collar rail union, said Mr said. Foot's comments were "totally irresponsible."

" He has not taken the trouble to get the facts. If he had, he would know that Aslef bad no case to go on strike, and by his comments he is encouraging grant, the board may decide to-Aslef members to remain on morrow to sack all 24,000 Aslef strike, with all the damage this will do to the industry. "I would remind him that at tering.

BRITISH RAIL'S chances of the last general election Labour considerable lost every marginal seat io the commuter areas in and around Loodon, and one of the principal reasons was the way that commuters were being messed about with their train services into London," Mr Johnson said. Sir Peter Parker, British Rail

chairman, said of Mr Foot's comments: "The British Railways Board has never needed politicians of any colour to tell it how to run a raitway."

country yesterday showed The rail board gave no indi-strong support for continuing cation yesterday of how many more drivers it was looking for today. However, its "consider-"We have not got one branch able increase" is likely to mean yet that has changed its miod from one of absolute solidarity the end of last week.

The board denied it had a figure of 5,000 in mind, It said it would take into account the level of services being operated. The week-end figures were not readily comparable with those for week-days, and those gave no easy guide to the trend. Up to 4 pm yesterday, 464 trains had been run during the day. Eastern Region ran 118, and Southern 227.

Scotland ran nine passenger and three freight trains.
Western cancelled all services.
By 4 pm 198 drivers (60
NUR. 138 Aslet) bad been reported at work but Southern was not included in the figures. Some 290 were expected across the network for the day of Railwaymen, attacked Mr and the number appears to Foot yesterday. The job of have stabilised at roughly 4 to

> It was difficult to tell whether Friday's small reversal of the

number of Aslef members at branch meeings yesterday may bave wanted a delegate conference recalled.

Mr Buckton said the union's offered a sensible way out of London headquarters had the problem, but the board received some requests for a with the Government pushing recalled conference but they them, were adamant they would came from people wanting to affirm the union's action.

"At the moment here is no MP for Derby South and a past necessity to recall conference president of the Transport unless there is a change of heart Salaried Staffs Association, the on the part of British Rail," be

There seems little chance of that. If insufficient drivers turn up today to induce British Rail to keep running a service and ask the Government to restore the £15.5m-a-week obligation morrow to sack all 24,000 Aslef strikers and re-employ them only if they accept flexible ros-

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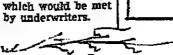
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Spadolini re-establishes tenuous unity of coalition

BY JAMES BUXTON IN ROME

SIC CIOVANNI SPADOLINI, the Italian Prime Minister, atteceeded this weekend in reestablishing a tenuous unity in committing It to the early introduction of an urgent economic

The vote of confidence which his Government won in the Senate on Saturday ended a 10-day political crisis which could have brought down the one-yearold administration. But trouble could break ont again if the economic package is not launched by the deadline of July 31 which the Prime Miniater has imposed,

The criais was caused by a deep split between the Christian Democrats and the Socialists In the coalition over the issue of tactics in achieving a reduction in the effect of the Scala Mobile wage-indexation aystem. But it reflected deeper divisions between the two parties on economic policy.

Sig Spadolini responded with a speech to parliament last the Scala Mobile but it would Thursday in which he called for be dependant on agreement with the commitment of his Govern- the trade unions-the Christian ment to an economic package Democrats agreed to support the to cul the exploding government Prime Minister, on condition deficit, and to an end to inter- that the July 31 deadline beparty bickering as a pre-con- met.



Sig Spadelini

dition for his continuing in

Though the speech was considered closer to the Socialists than to the Christian Democrat position—it promised action on

A formal vote of confidence had not been expected, but was chosen as a means of avoiding a potentially risky secret ballot on a subsidiary motion, as had been requested by the Communist Party.

Sig Spadolini, of the tiny Republic Party, has thus once again demonstrated his tactical skill against the leaders of the two major parties in his coalition, neither of whom felt il was opportune to briog down the

But there could be further disagreement in the next three weeks 28 the economic Ministers work on the package intended to cut some L8,000bn (£3.3bn) -L10,000bn from the govern-ment borrowing requirement for thia year—which if uncorrected is expected to overshool its target of L50,000bn by more

The package is expected to include rises in tariffs, onts in VAT. But the crucial issue will be the implementation of Sig Spalolini's declared intention of altering the basket on which the Scala Mobile index is based reflected in higher wages under the indexation system.

UN arms talks end in discord

BY OUR UNITED NATIONS CORRESPONDENT

THE UNITED NATIONS special ession on disarmament has broken up in discord and frustration, unable to overcome the negative infinences of the world's political situation.

Assembly General adjourned on Saturday olght after adopting a report that expressed the .157 members' profound preoccupation " over the dangers of nuclear war, but offered no concrete proposals for dealing with it.

A draft comprehensive pro-ramme for disarmament, littered with alternative formulations and bracketed phrases indicating the areas of disagreement, was referred to the Committee on Disarmament with a request that it produce a revised text for consideration by the Assembly late next year.

weeks of public debate and intense private bargaining drew criticism from Mr Ismat Kittani of Iraq, the president. "We of Iraq, the president. "We canot be proud of our achievewere too few and too losub-

stantial." Mr Kittani said much of the fault lay in the fact that the session took place during "one of the most disturbing junctures in international relations "—an allusion to the Falklands, Lebanon, Culf and other conflicts and East-West tensions.

He said the UN could not Insulate itself from the general climate and produce miracles. He urged the international community to temper its "justified frustration" with a rededication plete fallure

The meagre results of five to the need to prevail upon weeks of public debate and governments to follow policies tbat enbanced rather than threatened security.

> Mr Oleg Troyanovsky, the Soviet representative, said the U.S. and its Nato allies, whose Bonn summit meeting coincided with the first phase of the session, were responsible for its negalive outcome. For the U.S., Mr Edwin Feulner said the nmunist side was to blame for the climate of mistrust. He mentioned the Soviet invasion of Afghanistan, Communist Involvement in regional conflicts and subversion in Central America and Africa.

lu the most outspoken criti-cism, Mr Natarajan Krishnan of feelings of disappointment and Indla called the session a com-

Russian pipeline pump 'more efficient'

A prototype gas turbine pump, intended for use on the controversial Siberian gas pipeline to Western Enrope, ended its 200-hour endurance test at the weekend. The 25-MW pnmp earned high praise from Russian experts, who claimed it was more effi-cient than U.S. designed

pumps originally chosen for the project, according to agency reports from Moscow. The chief designer at the Nevsky Zavod factory in Leningrad, where the pumps are heing made, claimed it was "on a par with . . . machines made under General Electric licence, as regards productivity and reliability,

and even hetter as far as efficiency is concerned." Russian factories have lannehed crash programmes to build vital components for the 4.465-KM pipeline, badly hit hy U.S. sanctions. A senior Soviet commentator, Mr Vitaly Matveyev, said in the government newspaper government newspaper Izvestia yesterday: "Our answer to Washington is the determination to mannfacture all the necessary equipment for the pipeline."

EEC Ministers in talks on recovery

BRUSSELS—European Community Finance Ministers meet today to seek new ways to boost investment and cut the jobless queues. Mr Ivar Noergaard, the Danish Finance Minister will be orging his colleagues to agree on concerted action to divert more cash into industry to nurture Enrope'a slow emergence from recession, diplomats and Reuter mats anid. . .

ANC seeks support MAPUTO - The African National Congress will ask next month's summit of the Organisation of African Unity to oppose South Africa's transfer of black tribal areas to Swaziland, the ANC General Secretary said over the weekend. South Africa has agreed in principle to cede two tracts of land to Swaziland in a deal that would make 1m blacks Swazi citizens and has sparked widespread opposition in South

James Buchan witnesses the bombardment of the southern suburbs

Israeli fire rains down on Beirut

and south-eastern rim of West Ramlat Al-Baida and the sea. day morning, after a weekend of almost the heaviest artillery tacular women used to laze all fire since the Israeli siege of Beirut four weeks ago.

From a vantage point in a seafron; block of flats at Rouche, amid the fake Louis Quinze solas and bric-a-brac of some vanished household, I saw Israeli forces firing from the hills around Choueifat and from the shore at Khalde, both about nine miles away.

the pine-clad hills sparked with constant flashes and, seconds later, smoke and earth erupted upwards in the suburbs of Fakhani or Ramlat al Baida.

At one point, a phosphorus shell sent up an immense cloud ing to my companions, these of ochre smoke and flame in overflew Khalde and most Fakhani, the almost deserted landed helplessly in the sea. shell sent up an immense cloud of ochre smoke and flame in

of the southern suburbs yester- from me, there is a hotel called make out if Palestinian fire was lation of these southern quarters On the seafront, two miles the Summerland, where spec- reaching the hills. Sunday by the swimming pool

beneath the shattered hotel.
At one moment, a battery of rockets—presumbaly captured of the Palestinian Katuyshas—soared upwards from Khalde and then. losing height rapidly, smashed In the space of 45 minutes,

> During these 45 minutes, the only certain outgoing response from the city was a salvo of 12 rockets from a position several streets away from me. Accord-

out from the hotel.

dent to leave where we were bospital bleeds." His estimate The morning was too hazy to

According to the Beirut police, some 50 people were killed in the bombardments of talking of European capitals.
Yesterday, it was burning fiercely, the Israelis clearly believe that there is a Palestinian position in the garages beneath the about the field in the bombardments of Friday and Saturday. Correspondents who visited the three beneath the about the parages reported that doctors believed 515 people had been killed in West Beirut since the beginning of the invasion, and 2,200

into the spur of sand jutting or those buried in buildings. These figures are higher than the Israeli claim for the entire country, Admittedly, the areas shelled yesterday morning are empty except for well-dug-in fighters and the very poor. However, as a Palestinian doctor aald last week: "I'm not doing much now, but when the prices.

But it was clearly now pru- bombardment starts, the whole

was 50,000 for the civilian pupubeing shelled. The Israelis are keeping up their rather Intermittent blockade, although three trucks

permitted through the port on Relief officials say that supplies of medicine are adequate, but Israeli officers are being extremely difficult This does not include those about fuel oil, witbout which who do not admit themselves no hospital in West Beirut can supply its generator.

of flour and blankets were

As for food, this is becoming increasingly scarce despite the efforts of the Lebanese private sector. Eggs have disappeared. In the aouth of the town, people are going hungry — not for shortage of food but for lack of money to pay the higher

Argentine private sector gets 30% wage rises

BY JIMMY BURNS IN BUENOS AIRES

THE ARGENTINE Covernment over the weekend announced reaction yesterday from the ministers and the tight control across-the-board salary increases for private sector employees of However, labour experts sug-30 per cent—the latest in a gested that the increases fell series of measures aimed at short of the demands of Argenstimulating domestic production tine workers and were no Minister, last week distanced and pulling Argentina out of its guarantee against industrial himself from the predecessors worst recession in more than unrest. 15 years. Wage increases of between 20 and 30 per cent were

unions to the Government move. on union activities by the

recently granted to state the high cost of hiving, thanks peso and regulations aimed employees. to the monetarist policies keeping interest rates down.

There was no immediate applied by successive economic military Government.

by announcing a major refla-Since the 1976 military coup, tionary package, including a wages have not kept pace with 21 per cent devaluation of the peso and regulations aimed at

But the measures have already generated a substantial price explosion which is threatening to wipe out salary increases, in real terms, before they have been formally Argentina has riseo by 43 per cent over the past six months, while the consumer price index shows an increase over the past year of 125 per cent.

French set pay guidelines

BY DAVID HOUSEGO IN PARIS

THE FRENCH Covernment has apelled out the basis of its Friday to the civil aerviceincome policy for the public sector during the difficult perind following the ending of the the overall success of the policy prices and wages freeze on October 31.

The aim is to achieve a sharp slowing-down in wage settlements by the end of 1983 while maintaining purchasing power for those on average earnings. M Pierre Mauroy, the Prime Minister, is to meet unions on Thursday in an attempt to win their acquiescence to 18 months of wage restraint before the summer holidays get into full

But the proposals be put on where the level of settlements the prices and pay freeze have will be critical in determining —received a hostile reception. Senior Socialists, however,

claim that the public statements In support of their view that the unions will accept tougher measures from a government of the Left, they point out that that the wages freeze has not been met with the street demonstrations that dashed the milder incomes restraint policy of M ending the virtually automatic company, of which he was Raymond Barre, the former indexation of wages that exists dent until his nomination. Prime Minister, in 1976.

In fact, the only rowdy come from groups of farmers and employers in small scale

M Mauroy's proposals for the civil service involve quarterly increases in line with the anticipated Inflation rate. The government's aim is to bring this down to 10 per cent this year and 8 per cent in 1983 after the 14 per cent last year.

Such a system would mean ending the virtually automatic

Shultz to be quizzed on foreign policy

WASHINGTON - Mr George Shultz will break his selfimposed silence on foreign policy when he appears tomorrow before Senators considering bis nomination as U.S. Secretary of State.

He has kept his counsel since his nomination and, as he has had no job specifically devoted to foreign policy, his views are largely unknown.

Mr Shultz is sure to be asked about his ties with Betchel, the giant International construction company, of which he was presi-

Complaint

on chemicals

By Chris Sherwell in New York

the. only .. manufacturer of

nitrocellulose in the U.S., has

filed a complaint to the

Department of Commerce

and the International Trade

Commission over the alleged

dumping of industrial mitro-

cellulose by the French

government-owned company,

Societe Nationale des

Hercules argues that SNPE is

selling the chemical, which

is used in coating, lacquers

and finishes, at leas than a fair market price, and urges

that anti-dumping duties be

et Explosifs

Poudres

(SNPE).

HERCULES INCORPORATED.

WORLD TRADE NEWS

Lloyds Bank role in aircraft finance

BY ALAN FRIEDMAN

LLOYDS BANK International Bank has offered Air India more has received a mandate from attractive management fees Air India to manage an \$88m than did Midland on the \$88m syndicated loan which forms loan portion. Midland, how-part of a \$198m package for the ever, is involved in the \$110m purchase of three A-300 aircraft export credit portion. from Airbus Indstrie.

The Lloyds success in winning the mandate is seen by some aircraft finance bankers as another example of growing competition being faced by Midland Bank, the UK desig-nated bank agent for Airhus finance. Last February, National Westminster Bank and Bank of America organised a \$165m losn for the purchase by British Caledonian of three A-310 Air-

Midland's role is generally government of tax-sparing associated with the export the treatment of tax-sparing credit side of Airbus finance provisions contained in a and the bank maintains that it histeral tax treaty, which came into effect on April 1. There is not withdrawing from the market. On Friday Midland said: "This is a very competition of pending legislation." It is not surprising to tax-sparing in the UK in light of pending legislation. It is not known whether a its first Airbus deal, which does not in any way after Midland

The \$88m credit is understood

to involve an interest margin of per cent above the London Interbank Offered Rate (Lihor) for a 10-yesr period. There is also a tax-sharing option for the borrower, which would provide a much lower spread over Libor. Lloyds Bank stressed on Frulay that final details of the deal had not yet been worked out. One major question is the feasibility of the tax-sparing proposal. The UK and Indian

It is not known whether a tax-sparing provision has been offered on the \$110m export Bank's commitment to the credit portion, but this too market."

to the credit portion, but this too would be subject to inter-It is helieved that Lloyds governmental negotiations.

Air India loan helps | Move to improve import control systems

The moves are at an early since World War II. atage, but reflect a general concern to come to terms with a system which has grown up hanhazardly and could affect, as far as restrictions other than tariffa are concerned, over 17 per cent of British imports.

Both the Department of Trade and the National Economic Development Council are in-volved in a movement down parallel paths, the first examining the merits of public inquiry into demands for official protection, and the second concerned with studying economic effects of protection.

But the attitude of the Confederation of British Industry and the Trade Union Congress ranges from lukewarm approval to bosfility, making up a powerful lobby in favour of the

slatus quo. The work on the problem of controls at this level is relevant to the debate about import safeguards both at the national and international levels. At home, the Labour Party

at the public and private level, a means of fostering industrial under greater public scrutiny regeneration. This approach so that the costs and benefits effectively breaches the generof protection may be more ally bipartisan approach towards trade that has existed

The Conservative Covernment, on the other band, bas tended to follow the traditional approach, best charac-terised as open trade with exceptions to cater for industries apparently unable to cope with adjustment in an open environment. Textiles is the obvious example.

At the international level, the issue of import restrictions la arousing increasing concern because of the proliferation of unofficial restraint arrange. ments outside the regulations of Tariffs and Trade (CATT).

At the same time there is a limping debate within Gatt about redefinition of the clause in the agreement permitting import restrictions provided they are universally applied. In the late 1970s, the EEC mounted a campaign to apply import safeguards selectively. The issue remains unresolved.

TENTATIVE official steps are has moved towards a trade safeguards may be applied will being taken to bring the UK policy embracing a greater receive closer attention as the system of import controls, both degree of import restriction as ministerial conference in Novemher moves abead.

Against this background, work is taking place within the Department of Trade to examine the feasibility of establishing a body like the Inter-national Trade Commission of the U.S. This is an advisory body empowered to investigate allegations that U.S. companies are injured by imports. Part of the investigation involves the holding of public bearings. The present UK Government

has already thrown out the idea of a new body, drawing on the experience of the U.S. and Australia "to study and pub-lish the wider costs of any proposed new protectionist measure," as Mr Peter Ress, the Minister for Trade, put it. in a speech last month, This chimes in with the in-

troduction of new EEC procedures for examining demands by member states to introduce import reatrictions. These procedures also involve the bolding of public bearings.

Given the new element in a campaign to apply import Government thinking about, as by protection.

Government thinking about, as by protection.

Government thinking about, as by protection.

The initiative for such studies it, greater are from the Consumers Assure remains unresolved.

"transparency," in intercame from the Consumers Assure the terms under which national trade relations, it was sociation. It wants "a system to



Lord Cockfield, Secretary of State for Trade

not surprising that Lord Cock-field, the Trade Secretary, should at last week's meeting of the NEDC generally approve the drift towards initiating studies of industries affected

of voluntary export restraints and other non-EEC arrangements to restrict imports. The aim would be to establish some concrete evidence of the offent. concrete evidence of the effects of controls already in existence and a perspective on whether they are worthwile." There is no agreement to go,

that far, but NEDC is now to consult those interested—the Department of Trade, the CBI, the TUC, the Consumers Association and so on-to establish whether there might not be a pilot study, perhaps embracing the consumer electronics

But even a pilot study might provoke bostility. The TUC is against a case-by-case study of consider feeling that this would downgrade "forceful macroeconomic arguments in favour of controls" and concerned that the Consumers Association approach overlooks the longterm benefits to wage earners of introducing selective import controls.

And the CBI, while agreeing the Consumer Association case bas some merit, feels it does not deal with "the complexities of the real world." It prefers the current system, despite its imperfections.

The company estimates that it has some 70 per cent of the U.S. market, which was worth about \$70m last year. SNPE and the Japanese are its main competitors. Hercules says that its nitro-

cellulose operations were last profitable in 1980 when, it says. SNPE began aelling industrial nitrocellulose at low prices in the U.S. The ITC now has 45 days to make a preliminary indg-ment of whether there is a

reasonable indication of in-jury," to Hercules. The Department of Commerce must judge whether any dumping has in fact occur-red. Final determination of the case will then be made, probably in the autumn. Hercules, based in Wilmington.

Delaware, produces a broad range of basic chemicals, in-secticides, ammonia and plastics. Total sales have stagnated because of the re-cession, but in 1982 are expected to match last year's

The company's petition marks another step in the intensitying trade war between the U.S. and Western Europe. In the chemicals field this has recently involved the imposition of anti-dumping duties by the EEC Commission in Brussels on imports from the U.S. of vinyl acetate monomer and styrene.

FINANCIAL TIMES, published drilly except Sundays and holidays, U.S. subscription rates \$385.00 per snnum. Second Glass postaga park at New York, N.Y., and at addrilenet meiling

Risk cover for China

THE U.S. Government bas offered political risk insurance to American companies in China for the first time, but China will not be able to allract greater involvement until it acts to improve the investment environment, Mr Craig Nalen, president of the Overseas Private Investment Corporation (Opic), sald. He said that offering the insur-

ance coverage for projects in

the way for U.S. companies willing to do husiness there. Now the Chinese needed to do more to reduce difficulties

foreign threstors face.

Opic is a U.S. Government corporation designed to encourage private sector invest-ment in the Third World. Its main activity is in providing coverage for loss of investment due to Government expropriation or war. China was an attempt to ease AP-DJ

World Economic Indicators

INDUSTRIAL PRODUCTION

				%	change over previous	Index -
	May '82	April '82	Mar '81	May '81	year	vear
U.S.	140.3	140.6	141.7	152.7	-8.1	1967 = 100
	April '82	Mar '82	Feb '82	April '81		
W German		116.5	117.3	116.6	· +1.)	1975=100
France	113.5	112,5	112.8	113.5	0.0	1975 = 100
Italy	124.6	124.5	126.2	127.3	-2. 1	1975=100
UK'	104.4	703.2	104.0	3.001	+3.6	1975=100
]span	149.1	148.2	149.6	145.0	+28	1975=100
Jul-41	Mar '82	Feb '82	Jan '82	Mar '81		
Netherlands		106.4	105.7	108.6	-21	1975 = 100
Belgium	106.8	112.8	120.6	110.5	-3.3	1975= 100

SHIPPING REPORT Tanker market and dry

cargo rates continue fall BY ANDREW FISHER, SHIPPING CORRESPONDENT DRY CARGO rates last week continued what shipbroking firm Denholm Coates called their dramatic and sulcidal

fall." The tanker market, too

remained gloomy. Since the end of May, the a sharp drop over the past rate for coal from Hampton three months, Roads on the U.S. east coast to Japan has collapsed from \$17.50 a ton to \$11.25 for Panamax vessels, the largest size able to negotiate the Panama canal,

For the same size of ship, the grain rate from the U.S. Gulf to continental Europe is now some \$6.50, well down on the \$11.50 a ton of early May. Time charter rates are also low.

Source (except U.S., Jopan): Eurostat | is bound to go into lay-up.

On top of such factors as the slowdown in Russlan grain imports across the Atlantic, the European steel slump, and the age, Denholm concluded that world trade must have suffered

P. F. Bassoe, the Norwegian shipbrokers, said rates were now down to the level of 1978 for large bulk carriers. Postponements of new vessel deliveries bave bad little effect. apparently making up only one or two million deadweight tons out of a total bulk carrier order book exceeding 20m dwt.

As the freight market has Denholm Coates sald such rates were disastrous for any owner. "They are only typical of the distress right up and down the size range," A large number of vessels, though not as much as in the tanker sector, is bound to go into lav-up.

declined, ao have ship values in the sale and purchase market. A 65,000 dwt Norweglan flag Panamax ship bullt in 1973 would have fetched some \$10.5m on the second hand market in January; last month, it would have got only \$7m. declined, ao have ship values only \$7ml

Taiwan scrapping up Taiwan scrapping up Taiwan's shipbreaking industry produced 8.76m tons of scrap metal from the dismandling of 173 ahips between July, 1981, and June, 1982, AP reports from Taipel: shipbreaking volume was up 3.24m tons, or 41 ahips, from a year earlier. Large oil tankers accounted for most of the ships that were scrapped. In March-June this year, 99 ships were June this year, 99 ships were serapped for a total of 4.24m

Korean orders decline Foreign ship orders received by Sonth Korcan shippards in the first half of this year dropped 67.3 per cent from a year ago to 275,000 gross tons, AP-DJ reports from

Arab shipping group A number of Arab countries will set up a joint oil shipping company with an estimated freight capacity of 2.5m tons, Agencies report from Riyadh, Hussein Ibrahim Al-Mansuri, the Saudi Minister of Communications, said his country had decided to participate in the \$500m Jeddah-based venture.

BY RICHARD C. HANSON IN TOKYO NEC, THE Japanese telecom- Iran's Metal Procurement and munications and computer Distribution

One report speculated that the an "electronic mail" system it plans to start in 1984.

Japanese to sell facsimile machines to U.S. group

in the U.S.

NEC is one of the largest Japanese makers of facsimile machines. The annual growth whole has averaged over 30 per cent in recent years. Exports

reached basic agreement with cerns including Nippon Steel.

munications and computer Distribution Committee giant, says it has received an (MPDC) to sell 210,000 tonnes exceptionally large order to of steel products at an undisdevelop and sell facsimile closed price for August-to-machines to Federal Express, October shipment, Reuter reports from Tokyo. Nippon The company would not Steel said this was the first reveal details of the contract, steel export contract with Iran in 18 months. The contract order could be worth nearly with Iran follows the recent Y10bn (£23m). Federal Express resumption of long-term conwill use the machines as part of tracts between Japanese oil importers and the National Iranian Oil Company. Argentina has indefinitely. postponed a \$200m project to

expand steel-making facilities in sales for the industry as a at a State-run steel mill, Somisa, following economic difficulties after the recent from Japan last year were up Falkland's crisis between 47.4 per cent to Y22.2bn. Britain and Argentina. The NEC would only say that the postponement, affecting an size of its contract with Federal order for a hot strip mill worth Express would he the largest about \$125m, was communicated to a Japanes consortium, the ● Agencies add: A group of Somisa committee, organised aix Japanese steel makers have by more than 50 Japanese con-

Britain 'will not share in recovery of car production'

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

"The review predicts that com-

compared with 231,000 last year

In Western Europe as a

wbole, commercial vehicle out

put should rise 12.6 per cent from last year's level to 1.489m,

The North American jump is

predicted at 29.2 per cent to

2.8m and Japanese output could

Of the other major European

advance 11.7 per cent to 4.7m.

markets the forecasters suggest

that West German car output

3.95m in 1984 while commercial vehicle production might go up

French car production is ex-

pected to rise from 2.6m last year to 2.85m in 1984, and com-

mercial output from 407,500 to

along with the U.S., will show

the biggest growth rate in vehicle production to 1984 with

car output up from 0.855m to

1:1m and commercial produc

tion up from 132,000 to 150,000.

"International Automotive

"I am forced, therefore, to

conclude that such criteria do

The university had responded

by devising a new academic plan for a smaller UGC-funded

university. But in parallel it had set about building a series of non-UGC funded activity.

It had more than doubled the

rate at which the university was

acquiring research grants and

contracts from the Research

Its industrial centre had

doubled its casb-flow from £0.5m

severe recession."

clining.

ARMC believes that Spain,

from 319,000 to 345,000.

according to ARMC.

-the worst since records were

BRITAIN will not share in the sector rather than heavier expected recovery of car pro- trucks and buses. duction in the world's major markets, according to Automomercial vehicle output in the tive Research and Management UK will reach 320,000 by 1984

ARMC, based in London, predict car output in 1984 will re- first kept in the current form. main relatively unchanged at However, the 1984 forecast is 950,000 compared with 954,650 nearly 22 per cent below the last year, the worst year since peak output of 408,500 commercials reached in 1979.

However, for Western Europe as a whole, car output in 1984 is expected by ARMC to be nearly 12 per cent up on last year's level, from 9.5m to 10.64m.

An even greater recovery, one An even greater recovery, one of nearly 19 per cent, is forecast for North America—from 7m last year to 8.4m. Meanwhile, the Japanese industry should maintain aleady progress from 8.97m to 7.4m from 6.97m to 7.4m.

In its quarterly International Automotive Review, ARMC, suggests that car production in Britain cannot be expected to return to 1m in the foreseeable future, unless Nissan decides to go abead with a UK plantwhich now looks unlikely

There will be more assembly of cars, as distinct from complete production, because both Talbot and Vauxhall are bringing in kits from their contiassociates for final

ARMC also state that prospects for the British commercial vehicle producers remain Review," quarterly, from poor, with recovery when it ARMC, 67. Clerkenwell Road, comes likely to benefit the van London EC1R 5BH.

as holding a university chair,

is being established at Salford.

be paid for from a charitable trust called Campus, the Cam-

paign for the Promotion of the

Industry has pledged more than £100,000 to Campus to help the university survive a 44 per

cent grant cut - higher than

any other university.

The new chairs will bring into the university a kind of

academic more akin to those

schule in West Germany, said Professor John Ashworth, the

The first of the new chairs.

in gas engineering, has been agreed in principle with British

Gas and negotiations about

others have begun. Prof Asbworth told a graduation cere-

university had been unable to obtain from the University

Grants Commission a "clear

and consistent statement" of

Asbworth said the

mony at the university.

University of Salford.

vice-chancellor.

The new appointments will

Salford pioneers scheme

for professors in industry

A NEW KIND of professor, the criteria they used in impos-

who retains an executive post ing on Salford the biggest cut in industry at the same time in any British university in-

come.

not exist?

BY DAVID FISHLOCK, SCIENCE EDITOR

returns to an ecstatic welcome

By Stephanie Gray

Canberra

SS CANBERRA, the luxury liner turned troop carrier and hospital ship arrived back in Southampton yestorday morning to an eestatic wel-come from a crowd estimated at more than 50,000.

An armada of small craft escorted the P & O flagship np Southampton Water to bands and bunting on the dockside. The Prince of Wales went on board the liner. Helicopters flew past in formation spreading red, white and blue smoke. Thousands of balloons were released and the crowds and soldiers sang Rulo Britannia and Land of Hope and Glory.

The Royal Marines' band on board played their new tune: "The San Carlos

Banners bore the legends Canberra walks on Water," "Wave your Jack, Canberra's back" and "We love White Whale," the name by which the ship has become affectionately known.

Structurally undamaged but blemished by rust stains on ber white hull, the liner brought bome 2,500 Marines, the P & O crew and a 78year-old Falkland Islander on bis annual visit to Britain.

Many of the troops had yomped from San Carlos Bay to take the heights around Port Stanley where they watched thousands of Argen-tine soldiers fleeing before the surrender. Others had been despatched to take South Georgia and Southern Thule,

They were eager to know the mood of the country and asked of the possibility of an early election. Further Navy

cuts were their main worry. If they were surprised that the Capberra had escaped damage, it was nothing to the surprise of the Argentine general who came on board at Puerto Madryn when they returned 4,200 prisoners of

Argentine newspapers had carried several stories of the destruction of the Capberra. one of them presenting an expert mock-up of the ship ablaze. The general wanted to see the damage.
If the Cauberra, with its

20-year-old dry wood interior and aluminium superstructure had been bit, the liner trap," said Executive Officer John Turner.

to £1m a year, "at a time of sengers had sorry tales to tell of their enemy. Some The university would probably more than double its intake soldiers bad been sbot by their commanding officers well qualified foreign when attempting to surstudents at a time when the Some new retrults render. total number of such students bad no idea where they were. in British universities was de-Contrary to reports, however, they bad been well fed and "If we continue at this rate

well equipped.

After initial terror at being captured, the prisoners had been grateful for their treatment on the sbip. During air attacks they had been covered with mattresses and blankets. British soldiers had supplied blood for those who had been

Now the Camberra is due for a refit which is expected to take at least three weeks, and a long battle between ber owners and the Ministry of Defence on the cost of using

injured.

the ship. Saturday Glamorgan sailed into Portsmonth Harbour bearing the scars of the damage from an Exocet missile. Glamorgan was the only ahip to survive

Plessey, BICC win contracts

an Exocet attack.

PLESSEY and BICC claim to have won more than 55 per cent of all British Telecom's contracts for optical fibre systems following a round of orders which gives them 28 of 35 routes, worth £8m.
The contracts will require

more than \$,000 km of fibre and include the longest mono-mode system, the 52 km route to be instal-led between Liverpool and

Banking licence not reissued

THE EXPECTED reissne of a banking licence to Savings Investment Bank. Douglas, Isle of Man, did not happen at the wekend. A atatement on negotiations to rescue the bank from fallnre is likely to be made when Typwald meets tomorrow. Dr Edgar Mann, the Finance Board chairman, said yesterday that prolonged, difficult negotiations were continuing.

Medical market

service to start A SERVICE to provide bealth-care marketing information on more than 120 countries is being introduced by World Medical Markets, a product-research organisation, of Bognor Regis, West

The computer-based service will provide information on health sector profiles, healthstatistics, projects, analysis, and health-care and pbarmaceutical - market

Deciding where the cost should be imposed

POSSIBLE RATE REDUCTIONS

FROM EDUCATION GRANT

15.2 14.5 14.9

Supporters of a wholly cen-

authority

The DES argument for a grant

is to assist in furthering the objectives of encouraging a

more even pattern of education

expenditure relative to need throughout the country; encour-

aging education authorities to

observe Government priorities in the service; enabling the

Education Secretary to promote

innovations and developments

in specific areas; and reflecting

1944 Education Act.

Married couple

INTRODUCTION of a separate Robin Pauley examines choices of block grant or rate been that power and authority block grant for education, now bave been diffused. The answer the Cabinet, would cost £2.7bn, leading to either 3p extra on the basic rate of income tax

floated the idea as a way of achieving convergence of local authority education spending sharply. and cutting the rates sharply and quickly, estimates that the three impli-average domestic rate bill services if a would fall by 25 per cent if a introduced: 75 per cent education block grant were introduced.

But an analysis published today by Mr Tony Travers, of North-East London Polytechnic, points out that it cannot be guaranteed that councils will cut their rates rather than spend more on other areas, and that anyway the likely rate reduction would vary widely from zero in the Inner London Education Anthority area to more than 30 per cent in education authorities such as Somer-

If the additional grant needed to fund the idea were paid for Central services and administraby an increase in the basic rate of tax, all income tax-payers on the basic rate would find their tax rising by £1 for every £10 now paid.

For a family there would clearly be a net financial benefit if the cash increase in tax paid were smaller than the reduction in rates. But unless the rate rebate were substantially many people now altered.

receiving rebates would lose them. If their tax increased they would be significantly worse off. One attraction for the Government, long under intense pressure over commercial and industrial rates, is that there

would be an overall shift of

resources from individuals to If the rate reduction brought about by increased grant were this is not so although there enjoyed by domestic and non- are changes in emphasis,

rises to pay for education

Sutton

Trafford

Surrey

altered

or 4.3 per cent on value-added domestic ratepayers, and the tax, or an equivalent mixture extra grant came only from of taxes and central borrowing. Income-tax, individuals would The Department of Educa- have to bear an extra burden tion and Science, which has roughly double the size of the domestic rate reduction. · Business rates would fall

> Mr Travers says there are three implications for other services if an education grant is Pressure from other areas, par-

ticularly social services, for their own grant. DHSS officials admit pressure would rise for social service cuts rather than education. A social services block grant would help preserve aocial aervice spending levels. education block grant and

general block grant each had different marginal grant rates. there would be an incentive for councils to re-define as much spending as possible under the head giving most

tion are particularly susceptible to "movement" from one service to another. Anditing would have to be more like policing.

Even if block grant for educa-tion produced an advantage for ratepapers, there would be nothing to stop non-educaanthorities taking advantage of the lower rate bills to aqueeze in extra spending.

To avoid this there would have to be more severe penalties for spending above noneducation expenditure asseasment devels, on a strict system of targets and penal-

Mr Travers aays that the changes implicit in an education block grant add up to a constitutional reform. But the lengthy DES paper on the subject illustrates that

limited powers to pay specific grants would be needed, as there would be directional possibilities within an education

The idea of convergence of expenditure throughout the country has led the National Union of Teachers to consider an education block grant favourably. The Society of Education Officers was unitially in favour, though it is understood to be having a second look.

A paper for the society by the education grant and London University Education announce a large cut in the Institute setting out the options (expected) level of rates.

"Does the country want a tralised education system, on the basis that it is logically a system endorsing local dis- here and there and a few cretion within which the totality cosmetic changes to the horrovplain that the DES plan is not of education expenditure may a constitutional reform, as divislon of responsibility between councils and Government is not widen, or does it want a system that incorporates controls over the totality of expenditure but affected. Nor is distribution of reduces disparities?

A paper given to the Society of Education Officers by Prof John Stewart of Birmingham University Institute of Local Government Studies says that an education block grant might be much more about limiting enforcing minimum standardy. His most serious objection

more clearly the partnership between central and local is that the plan would weaken local accountability and the basis of the local education overnment embodied in the autbority. For direct encouragement of "The key to the complex

areas of national priority, government of education bas

New tax

INCOME TAX CHANGES TO PAY FOR EDUCATION GRANT

1982-83 weekly

totality of expenditure but of having to increase taxes, uces disparities? having promised, and so for A block education grant failed, to cut the basic rate to might prove to lie somewhere 25 per cent.

hetween these two extremes." She must decide quickly: which her Tories like less income tax or rates.

most of the impact.

Crystal Palace sports facelift

is not to seek new comprehen-

sive instruments of control,

system guided by instruments

of minimum control and maximum impact."

In the end the decision on

All attempts to "do some-

thing" about the rate bave so

far come to nought, and Mrs

Thatcher and Mr Michael

Secretary, are faced with going

to the Tory Party conference in

the autumn yet again with a

Their only hope is to accept ne education grant and

They might do it if shuffling

round the cost in bits of tax

ing requirement could lose

But Mrs Thatcher is known

to be horrified at the prospect

completely empty basket.

Environment

an education grant is likely to

be purely political.

Heseltine.

CRYSTAL PALACE National Sports Centre is to have a facelift costing £333,000.

Track improvements will strengthening the foundations and drainage work. The synthetic surface laid in 1968 will he replaced. The scheme also involves an improved layout for track and field events.

The Sports Council will meet 75 per cent of the prolect cost. The Greater London Council will pay 25 per cent. Work will begin at the end of Septembec for completion in June next year.

AMERIGAN EXPRESS AVIS

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airliners is intensifying between jets. Europe and the U.S. Two new aircraft—the European Airbus A-310 and the Boeing 767 from the U.S.—are

U.S.-Europe fight for

both aimed at the replacement In the next decade, and when

ietliner sales intensifies THE BATTLE for a major sbare profits they need to buy new airin a potential multi-billion craft, there is expected to be a pound market for medium-range market for 1,100 of the £22m

the UGC will be funding less

than balf of the university's

activities by 1984-85.

British Aerospace has a vital 20 per cent stake in the Airbus and produces the winga and other items for it.

The Boeing 767 set off last week on a 30,000-mile demonstration circuit taking in several important European and Middle Eastern countries, just as the Airbus returned from a

similar sales trip. Mr Thornton Wilson, Boeing chairman, admitted the Airbus was outaelling the 767 in Europe and that was one major reason for the tour ..

Boeing leads in the U.S., but Mr Wilson says he does not want to see European and U.S. airlines polarized into buying their own continents' aircraft. Airbua claims its jet has im-

proved on its projected fuel use by 6.5 per cent. Boeing says its own jet is 10 per cent better. The figures are of vital impor-tance in the sales battle because fuel accounts for up to one third of operating costs.

WORKOUTAFTERYOURWORKDAY. The magniticent accomcan relax after you've Maith Crub, With a The Watergate Hotel

World shipping tonnage laid up rises sharply

MORE MERCHANT shipping is now lying idle, totalking just tonnage is laid up around the over 49m dwt. This is double world for lack of business in tha the figure for the end of 1981. present slump than at any time for four years, figures from the General Council of British Shipping show.

At the end of May, 8 per cent of the world fleet was laid up, making a total of 794 ships of 55.3m deadweight tons. Tha
figure rose sharply by nearly
7m dwt from the level in April.
The alltime high was reached in June 1978 when some 57m

dwt was laid up. The latest figure, not far short of this, rep-resents a six-fold jump since With the tanker market stuck firmly in a prolonged depres-sion, it is this category of ship which dominates the lay-up figures. Large numbers of tankers have also been going to

figures on Lloyd's Monthly List wholly in tankers. Norway was of Laid-Up Vessels, says 14 per next with 11.8m dwt of idle ves-cent of the world tanker fleet sels, again chiefly tankers.

On the dry cargo side, where freight rates are also at rock bottom levels, the lay-up trend has increased sharply in recent

Only 2 per cent of dry cargo topnage, or 460 vessels of 6.1m dwt, was laid-up at the end of May, but this was double the January total. Of the UK merchant fleet, 7

per cent of tonnaga was idle at the end of May, comprising 28 ships of 2.8m dwt. This was up from 25 ships of 2.15m dwt the previous month, most of the laid-up vessels being tankers. The country with the most laid-up tonnage in May was Greece with nearly 13m dwt, or 18 per cent of its fleet. Liberia. scrapyards.

a flag of convenience country
The GCBS, which bases its followed with 11.9m dwt, almost

	(m dwt)		
	Dry cargo	Tanker	Total
Dec 31 1981	2.8	24.6	 27 A
Jan 31 1982	3.0	25.9	28.9
Feb 28 1982	3.6	31.7	35.3
March 31 1982	5.0	36.4	41.4
April 30 1982	5.6	42.8	48.3
May 31 1982	6.1	49.2	55.3

Recovery in economy 'unlikely for two years'

THE ECONOMY bas clearly investment but it is not sufhottomed out but there are no prospects of real recovery this year or next, according to a there is no prospect of increas-special analysis by brokers ing demand, the report says. James Capel published today. This leaves the Government

economic policy will bave to to lock the economy into low nperate on a knife-edge for the growth for the next couple of nperate on a knife-edge for the remainder of this Parliament, balancing the electoral consequences of a stringent economy against the economic consequences of any attempt at largescale reflation.

Its attempt to bring a lower cost structure to the economy has led to a large supply side contraction. This implied that any major stimulus to demand would result in a move into substantial deficit in the current account of the balance of pay-

recovery was a strengthening of the supply side. This requires an increase in capital investment and therefore a cut in short-term interest rates. It would be two years, bowever, before the full effects were

A cut in interest rates may be necessary for an increase in



ficient. There is little reason to invest to expand capacity if

It says the Government's with a policy conundrum likely years. Without the appropriate stimulus there could be no recovery in demand and output and no rise in capital expenditure.

The Government's attempt to steer a middle course would do little to encourage growth. James Capel expects only a 0.9 per cent rise in gross domestic product this year and 1.9 per cent next year (against Treasury estimates of 1.5 per cent

and 1.9 per cent). The report says any unisustained lateral attempt to cut UK cause a run on sterling, with possibly serious consequences for inflation. National Westminster Bank

says in its UK economic ontlook briefin, or July that there "increasing nervnusness' about the strength of any unturn in the economy.

Dr David Lomax, the bank's group economic adviser, says the economy is expected to move roughly on its present course, with little evidence of any substantial upswing. The balance of trade is deteriorating, although still healthy. Private sector investment is being reduced by corporate liquidity pressures

Prior set to announce October date for **Ulster poll**

will go to the polls nn October 20 to elect a new assembly—the first at Storment since the collapse of the 1975 constitutional convention.

Mr James Prior, Secretary of State, is expected to formally amounce in the House of Commons this week the date for the proportional representation elections. Plans for the new assembly

were outlined in the Government's White Paper on "rolling devolution"—the step by step attempt to transfer power to Northern Ireland politicians to replace direct

However, leaders of Ulster's two main unionist parties were yesterday criticising the arrangements for the elec-

It was thought the election would have been fought nn
17 constituencies as recommended by the Boundary
Commission but it is now
clear it will be based on the 12 Westminster seats in

Northern Ireland. North Antrim and Euro-MP the Rev Ian Paisley, who is leader of the Democratic Unionist Party, claimed the arrangement puts unionists at a disadvantage in repub-

Mr James Molyneaux, Offi-cial Unionist leader, criticised the Northern Ireland Office for "bungling" the arrange-ments but he made clear his The middle of the road Alliance Party will also fight the election. The Social Democratic and Labour Party, which is mainly Roman Cathnlic, bas yet in make its position clear and Slm Fein, the Provisional IRA's political wing, says it will contest the election but if elected its candidates will refuse to take

up their seats. Meanwhile today tens nf thousands of Orangemen will be marching in Ulster to celebrate the "Twelfth of July" to mark the 292nd anniversary of the Battle of the Boyne..

Police and army chiefs also fear a stepping np of the Provisional IRA terrorism campaign and there are re-newed police warnings for the police to be nn the alert. Heightened security measnres were in force and a close aide to the RUC's Chief Constable at the weekend said it was known the IRA were planning more "ontrages." On Friday night the RUC

intercepted a car bombins mission in a luxury area of sonth Belfast. Army experts upted to make safe the 100 lbs of explosives packed into two beer cases but the detonated, extensive damage to bouses. The area had been evacuated and there were no injuries.

A senior RUC spokesman said it was believed the terrorists had planned to take the bomb to Belfast city centre. Two weeks ago a car bomb exploded in Belfast city centre injuring 26 people, most of them nurses. In another incident a mas

sive bomb in a van exploded in west Belfast.

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Ambition and innovation at the BBC

Arthur Sandles hails the corporation's double

TODAY the BBC is to hold its service of thanksgiving and celebration at St. Paul's Cathedral in London. It is hall-ing 60 years of domestic, and 50 years of external, broadcast-

and technological, is poised to other nations are spending crash down on this bastion of heavily. the British way of life. The corporation bas shown its abilities to beat off such as-

saults in the past. But this time the odds against it look beavy. Can the BBC hold its present dominance in broadcasting within Britain, and its status as in international broadcaster, for the next 10 years—never mind the next 60?

On the domestic front, the corporation faces a growth of alternative ways to broadcast. It was able to endure the arrival licence fee.
of commercial television, pirate

Its abilit radio and, later, independent local radio. It emerged even stronger than it was before. Now, however, there is tha

prospect of satellites, cable, further conventional indepenvideo discs and cassettes in the

Abroad, the gradual diminntion of Britain's role over the years by several governments potential threat. The total

The BBC's strengths have been its high standards; the fears any government has of over-diversified broadcasting and its remarkable facility for long-term strategy. Its weak-nesses are a fear by governments of too much power nver communication getting into BBC hands, a confidence bordering on arrogance, and the in-creasingly pressing problem of paying for its ambitions through the sensitive means of the

Its ability to get a sympathetic ear from government in spite of rows over political programmes (last year Ireland, this year the Falklands) was demonstrated recently by a sur-prisingly belpful increase in the licence fee (from £2 to £46), dent competition (from break-fast TV and the Fourth and hy its nomination as pro-Channel) and increasing use of vider of Britain's first two broadcasting channels directly from

> It now faces combat against what it sees as an even bigger

Some of those present may have been temperarily deregulation of cable television. There is little doubt that the wonder whether it might also halted as a result of the Falkbe celebrating its zenith. The lands crisis. Here again, though, basic disruption of the present is to ease itself out of heavy tidal wave of change, poblical is noted to any technology is arriving and BBC/ITV relationship. The reliance on the licence fee. It Hunt Committee will report to the Home Secretary this year on whether deregulation would

be good or not. The Corporation thinks not.
"It has taken a 60-year prest-ment in skill and dedication to create tha present system of which is universally acknowledged to be a national asset," the BBC told the committee. "It would take a much sborter time to erode the valua

cable services were permitted an operating philosophy made up of quick-kill methods of financial control, a cynical view of public taste and no concern for social side-effects." The BBC urging of caution is likely to hit sympathy in Government, even if it does not

nf that national asset if the new

on the committee. However, the corporation is already involved in experiments with subscription television through cable, in alliance with Vision-hire at Milton Keynes. The BBC might well want Government not to jump to a decision before it is ready to jump too.

has begun to do so through a policy of much more oggressive foreign sales and more pub-lishing. But this is chickenfeed compared to the gravy train it sees in satellite broad-casting and pay-television. The

problem is to pay for massive expansion on all fronts. Even at present levels of service and given modest infla-tion, the BBC might need £1bn a year by the end of the decade. Licence fees provided about £500m lest year. BBC Publica-tions produced a profit of £4.3m and BBC Enterprises sold programmes abroad for about

A subscription satellite might produce £50m a year and the opportunities in pay-TV would be vast if current BBC production and its buge stock of material were to be made globally available.

A BBC heavily funded by sales is a long way from Lord Reith'a concept of the organisation which gave strength to tha child whose anniversary is to be celebrated today. It would

corporation and government. There is little sign of such dreams at the headquarters of the External Services at Bush

External Services started in late 1931, nine years after the British Broadcasting Company (as it then was) came into being. (The celebrations this week do not quite mark 50 years and 60 years.) It was known at first as the Empire Service. The first foreign language programmes, seven years later, were in Arabic. The organisaiton owes its peculiar separa-

much else, to Lord Reith. In recent years the Foreign Office, through which the payments are made, has appeared much more eager in exercise its right to decide how much is broadcast, in what language, and to whom. Except in times of conflict, that right had been exercised in anything but an

tion from government, like

expansionist way. The great broadcasters in the sky might be forgiven if they were in smile on the way in which Mr George Huward (the present chairman of the BBC) and Mr Alasdair Milne (who is to become director general next month) seem to be carrying on tha tradition of clever handling of Government, as regards domestic services. They might, however, be wincing at the

Gibraltar plans to tighten control on life companies

THE IMPOSITION of much son who would have to come life companies registered in Gibraltar will be one of the main considerations in the forthcoming review of the Crown Colony's insurance legislation and supervision.

. In the past year nr so, several organisations wishing to market a variety of investment products in the UK have done so through a life company registered in Gibraltar. The present Government would require control on such companies is annual rather than five-year very loose compared with that actuarial valuations. on UK companies yet they have the same marketing freedom. This bas resulted in considerable criticism in the UK Press

administration. Gibraltarian said the authorities had been

more stringent requirements on from ootside Gibraltar as life companies registered in resources within the administration were limited. It would bear in mind UK legislative controls provided they could be adspted tn local conditions.

He was unable to indicate how controls would be strengthened. Suggestions from other sources are that minimum paidup capital would be increase from £10,000 to £100,000 and the

Mr Bautista said such changes could be imnosed quickly under existing legislation.

A new banking ordinance was passed on Thursday by the Mr Joe Bautista, assistant House of Assembly and the secretary (finance) in the authorities could now devote their attention to insurance matters. Mr Bautista said. He considering changes for some was grateful to the UK media time. They would be seeking for highlighting some of the advice from an experienced per-

Shoe industry deliveries hold steady

DELIVERIES by the British footwear industry in the three months to the end of April showed no change com-April showed no change com-pared, on a seasonally adjusted pairage basis, with the three months in the end of January, according to figures published by the Industry Department.

Net new orders during the same period, also on a seasonally adjusted pairage basis, were 1 per cent higher than in the previous three munths. The index of output in the three months to the end nf April was 6 per cent higher than in the previous three months.

Figures for bosiery and other knitted goods, includ-ing knitted fabrics, show that the volume of production in the three months to the end. of April, seasonally adjusted, was 3 per cent lower than in the same period of 1981.

Norton closes British plants after heavy losses

pany, which makes industrial products, has announced the closure of its two UK plants as part of a consolidation of its European operations. The two factories, in Belfast

and Welwyn Garden City, are to shut down after two years of heavy losses. The bulk of their work will be transferred to plants in Italy and France.

The closures will mean the loss of 270 jobs at the Welwyn Garden City plant, which makes grinding wheels. and 150 in Belfast, which manufactures sandpaper.

"We are trying to concen-trate our resources in countries where we have a leading market share," said Mrs Carol

THE U.S.-based Norton com- fortunately they were the ones in the deepest trouble."

Mrs Hillman said the workforce at both the UK plants had tried hard to increase profitability but other European factories were bigger and more

Norton will keep the sales and marketing services for its distributors in Websyn Garden City, but will supply all the products from its European and

U.S. outlets. The Norton group is the world's biggest producer of abrasives with operations in 28 countries. It also makes diamond drill bits and downhole tools and provides drilling services to the mining industry.

Hillman, vice-president for communications.

"There was a great deal of sort "There was a great deal of soul most of the profits came from searching before we decided to close the UK factories, but un-

INSURANCE

and on radio.

London reinsurance companies' accounting attacked

BY JOHN MOORE, CITY CORRESPONDENT

of reinsurance companies operin a report* published today. Important aspects of the reinsurers' accounting methods are described as "a variable are described as subjective fiction."

The report is one of the first critical studies of the financial management of London research, a firm of analysts. It concludes that financial reporting methods are misleading that the methods neces-sarily result in ill-informed competition and that informed competition threatens the survival of the industry." It is certain to cause con-

troversy in the London reinsurance community and a regroups' undarlying security. income. All insurance and reinsurance groups make virtually all of their disclosed profit

from investment income, the

money earned on insurance and

by the group. With interest rates at historically high levels most insurers are making an ulti- of gross investment income. mate profit even though they may be making an underwriting

insurers. It was prepared by writing performance — the Financial Intelligence & Re argument over whether insurers and reinsurers are writ-ing for cash-flow purposes, companies differ on where the ignoring the premium rates and concentrating on the level of income to be earned an invested premiums. The report says this dehate is "diverting attention from the reality of underwrit-ing performance."

It says the element of investmeet income to be included nr credited direct to reserves; or appraisal of many reinsurance excluded from the underwriting account "is assumed to be The report's key attack is capable of Isolation in all against the way reinsurance classes for all companies in groups account for investment order to ascertain true comparative underwriting profit or to establish economic premium rates based on technically-based

underwriting." The facts, says the report, are

THE ACCOUNTING practices reinsurance premiums invested rather different. Definitions of the treatment of management notted-off against income. investment income can vary sharply and can often be stated in accounts without disclosure Investment income may be stated net of interest paid, net

loss, with claims exceeding of realised gains on investments, net nf realised and unrealised running debate about under-exchange gains or losses. The definitions can render invalid meacingful companison investment income items should be stated. Should they be credited in the class revenue accounts; or partly

> above the line; with perbaps undisclosed realised and unrealised gains and losses undisclosed realised or unrealised credited direct to inner undisclosed reserves? The conclusion is that the permntations are endless. The wide variation in account-

in the profit-and-loss account

ing treatment is limited not only to investment income.
There are wide differences in

Some companies expenses. the class revenue account all of their costs includadministration. operating costs and bad debts management expenses."

Others debit nnly a small proportion of total expenditure to the class revenue accounts. Others debit only a net figure after deducting recoverable expenditure or undisclosed commissions and. fees receivable.

Accounting treatments for foreign exchange can show little incy. Foreign-exchange accounting by companies may operate a policy of full dis-closure in both the class nr revenue accounts and the profitand-loss account. Or it may involve a complex reserving policy which could operate on a whole range of different criteria.

As for texation the report unsurprisingly concludes that istent approach, with taxes being disclosed gross in either the revenue account

Of the reserving of future reinsurance claims within the groups the report's findings suggest that the permutations are endless and by implication almost impossible to reconcile between one company and another.

Regulations in the UK, it says, may standardise the format of presentation of reinsurars' accounts. Standardisation definition of many important variables, however, has yet to be achieved.

The conclusion of the report which has surveyed hundreds of reinsurers, is simple. If reinsurers and insurers are arguing for an end to senseless and rresponsible competition they should not publish meaningless data. The market needs more reliable information to assess whether competition is senseless or irresponsible.

Reinsurance Companies in the London Market - Solvency Status and Underwriting Per formance, two volumes: Financial Intelligence & Research. 49-51. The. Avenue, London

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Tel: (01) 726 5000; Oswald Judar in Frankfurt, Tel: 611 254 5580; or Brent Bergin in New York, Tel: 212-552 2270.

In the race against time, the Chase is on.



The Chase is on.

Nurses unlikely to give way on pay

BY BRIAN GROOM, LABOUR STAFF

12-week National Health Ser- accept the offer. vice pay dispute rest on a meet-Relations Committee.

Whitley Council meet tomorrow, per cent pay offers than be bad but the TUC unions will walk out as soon as the 7.5 per cent pay offer is reached on the

180.000 of the 480.000 nurses, will receive the offer and decide on Wednesday whether to reject it outright or put it to the members for consultation.

The Labour Relations Committee was deeply split on whether to return to negotia- health service workers.

THE GOVERNMENT'S slender tions at all, and there is little hopes of a breakthrough in the expectation that members will

ing on Wednesday of the Royal new general secretary, said in any way, appears increasingly College of Nursing's Labour a radio interview yesterday that remote. there was more anger among Management and unions in nurses and other health workers the Nurses, and Midwives, over the Government's 6 to 7.5 over the Government's 6 to 7.5 ever known.

There was little support tion, he said, but only on among RCN members for the shape of the offers put forward by management within the basic representing cent offer should be accepted as figure for each group. as best they were likely to get,

> Many felt the varied offers to be divisive, he added. Mr Clay has indicated that nursea may nnt continue to insist on higher rises than those for other

Government lucreasing the ancillaries' offer to match the Mr Trevor Clay, the RCN's nurses, or raising the offers in

> Mr Norman Fowler, Social Services Secretary, emphasised in two statements at the weekend that the offers were "final." There was room for negotia-

"The Government has shown flexibility. The TUC has not moved one jot from the 12 per cent pay claim which was formulated six months ago, and is out of touch not only with what the country can afford but with

what other workers have agreed

However, the prospect of the to accept," Mr Fowler said yesterday. About 8m people had reached pay settlements this year, and

the average increase was 7 per With the Government taking

may exert fresh pressure to avoid losing momentum. Three days of action start on Monday, but a difference of interpretation has emerged.

The National Union of Public Employees calls on members inside and outside the NHS for a three-day strike, while the Confederation of Health Ser vice Employees envisages three days' intensified industrial

one day.

David Goodhart considers the prospect of another Underground strike would have been done at Birken bead.

Search for Tube cost-savings

prospect of a renewed Underground railway strike hy mid-August if the joint working party of London Transport (LT) and the transport unions, which is to go into action today, cannot find a cost-saving alternative the GLC's cheaper fares. to cuts in services.

After two weeks of Tuhe stoppages at the end of last month which coincided for two days with the shutdown of British Rail. LT agreed to sus-pend the introduction of its reduced services for the fourweek duration of the working

The Underground rail unions believed. -the National Union of Railwaymen (NUR) (with 14,000 personnel involved), the train drivers' union Aslef (2,000) and annual grant has been cut from the Transport Salaried Staffs £144m to £82m, the number of drivers' union Aslef (2,000) and Association (TSSA) 17,000, simultaneously agreed to suspend industrial action over the and in view of the decline of 113m in the number of 113m in the number of

save £7m a year, Mr Andy Dodds, assistant ls convinced that the Govern-LT to compromise. Government is always very December. sensitive to the feelings of the London commuter and was

LONDON commuters face the executives were keen to push on November, the new timetables call in August would be supwith the reduced services. They have been postponed four times since their original implementation date of last March, when tube fares were doubled after the Law Lords ruling against

> With the NUR on the run after its rail strike fiasco, and Aslef and TSSA less enthusiastic about strike action, normally accommodating LT executives felt it was time to assert "a management's right to manage." After a minor skirmish with the unions, the timelables would have been accepted, they

LT still wants hus and tube services reduced by about 10 per cent, now that its GLC the Underground, that Mr Andy Dodds, assistant would mean a 15 per cent cut general secretary of the NUR, in peak-hour trains—the Issue which provoked the dispute last ment was, for once, learning oo montb—and further cuts in off-LT to compromise. "The peak and weekend services from peak and weekend services from

The peak-hour cuts would mean 430 trains rather than ing down the capital completely for months," he said.

Walting in the city centre would increase by only half a minute.

LT also save that terrified by the possibility of a the present 480, but LT says

with staff levels.

Industrial relations on LT last week commended the Underground unions for helping to achieve a 7 per cent improvement in productivity over the past two years. Longer-term changes, such as one-man operation of trains, have been accepted in principle by the unions, although there is haggling over extra payments.

The outery over such small cuts is partly due to the feeling that Lord Denning's cuts should not he allowed to overrule the plans of a Labour GLC, but also to the fear that this is just the first part of a long-term rundown. As Mr saving £7m a year from the new tube timetables, and last the working party from dead-mouth's strike has already cost lock. At a "Save Public Trans-them £6m, there must be some-port" rally in London at the thing else behind It."

Some tube workers fear extensive closures of station and loss of jobs, and dislike the work schedules which would accompany the new timetables. The annual pay rise offer of 5 per cent has been rejected and a resolution on pay may have to awalt the outcome of the rail dispute.

But, despite those grievances, It is true that some LT ment having been frozen since it is not certain that a strike

would hring services into line ported. The issue seems abstract some tube workers and there was considerable disare normally good. Sir Peter satisfaction over the confusion massfield, the LT chairman, and lack of communication during the June strike.

> Dr Tony Ridley, managing director of the Underground, says that LT still helieves service cuts to be necessary, but is not entering the work ing party with a closed mind. The only alternative way to unions is more enthusiastic marketing. If that were no enough and the new timelables were to be reimposed. Aslef and the NUR would return to the strike action to which they are committed.

A legislative solution to London's transport problems, which both sides see as the only longterm solution, might yet save weekend. Mr Ken Livingstone, leader of the GLC, sald he was outimistic that a scaled-down cheap fares policy might he possible next spring. After talks with Mr David Howell, the Transport Minister, he said that a cut of 15 to 30 per cent in fares might be accepted. Mr Howell has also agreed to the leader's surprise proposal to freeze fares until the end of next year.

Liverpool dockers vote to end strike By Our Labour Staff

MERSEY dockers yesterday de

cided to end the unofficial strike which has halted most cargo-handling at the port ni a tougher line, the TUC unions Liverpool since last Thursday. About 1.000 of them gathered at a mass meeting in Liverpool Boxing Sladium and voted overwhelmingly in favour of their shop stewards' recommendation to return to work.

The position remains confused, however. The 250 fused, however. The 250 dockers employed by the Mersey Docks and Harbour Company at Birkenhead, who are at the centre of the dispute, have still to decide at their own dockaction, perhaps with a strike on gate meeting this morning

If they refuse, the dockers employed at Liverpool may refuse to handle any work, which

Forum set up for managers

THREE politically unaffiliated TUC unions yesterday announced the formation of a forum to promote the interests of managerial and professional

They are the British Association of Colliery Management the British Air Line Pilots' Association, and the Engineers' and Managers' Association. Their forum is the Council of Managerial, Professional and representing 60,000 people.

Yorks loudspeaker factory to shut

RANK organisation is to close the Wharfedale hi-fi loud-speaker factory in Yorkshire with the loss of \$50 jobs, it was armounced at the weekend The company blamed the recession. A drop in UK and overseas sales of its speakers had led to substantial losses.

1981

contract for radio pagers for firemen

BUSINESSMAN'S DIARY UK TRADE FAIRS AND EXHIBITIONS

	•		
Date	45		Title Environmental Engineering Today International
		*******	Exhibition and Symposium—SEECO (0703
Jul₹	13-16	*******	The Royal Tournament (01-371 8141)
July	14-31	*******	international Dental Exploition—Exploition
T	18-22		Harrogata Gift Fair (0282 867153)
Tma	10.00		World Congress and Exhibition for Ultrasound in
		*******	Medicine and Riology (01-456 6562)
Aug.	8-12	*******	International Gifts Fair (01-855 9201)
Ang	12-15	********	Wine and Beer Festival (01-778 1256)
Ang	20-30		Motor Cycle Show (01-385 1200)
Aug.	E 0		International Hardware Trades Fair (01-643 8040)
Sept	2-0	********	International Air Show (01-839 3231)
			International Air attow (vices part)
Sept.	7-10		Label, Labelling, Marking and Identification Industry Exhibition—LABELEX (01-467 7728)
Cent	7-10		International Carnet Fair (021-705 6707)
Cont	19.15		MAR International Menswear Fair (0727 63213)
Sept	14 10		Coil Winding International '82 (0202 891339)
Sept.	74-10	*********	Con Winding International as (odd)
Sept	21-23	*******	Harrogate Fasbion Fair (01-637 2400)
Sept	21-23		Environmental Health Exhibition and Congress (01-637 2400)

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OVERSEAS TRADE FAIRS AND EXHIBITIONS

OAFUSE	AS ILADE FAMS AND	LIVITIO
July 21-24 July 31-Aug 3	Hamburg Trade Days (0202 732648)	Hong Kong Hamburg
Aug 11-15	International Trade Fair for Hotels, Restaurants, Catering and Food—HOTELRES (01-681 7688)	Bangkok
Aug. 18-21	Business Equipment and Computer Exhibition — COMBEX (0483 38085)	Hong Kong
Aug. 19-21	International Electronic Packaging and Production Equipment Exhibition—INTERNEPCON (0483 38085)	Singapore
Aug. 27-29	International Men's Wear and International Jeans	Colome
Aug. 30-31 Aug. 30-Sept. 2	Fashion Samples Fair—INTERCHIC (01-749 3061) Indro-Perfumery Exhibition (01-486 1951)	Berlin Utrecht
Sept. 4-7	Women's Ready-to-Wear Clothing Show (Paris (1) 268-08-40)	Paris

BUSINESS AND MANAGEMENT CONFERENCES

halancing of interests (01-621 1355)	
sick pay and sickness benefit (01-325 4751)	Lorda
yez: Direct Labour Organisations and the New	Carlto
he Henley Centre for Forecasting: International	Londo
merican Chamber of Commerce: The Role of the EEC Institutions and the Major Current Issues	Hyde
ocus: Understand Finance Workshop for	Londo
RC: Power and Political Behaviours in Organi-	Great
SS: Finance for the Non-Financial Director	Worth
anagement Training Consultants: Techniques of supervisory and management training for	Leice
yez/IBC: Deep water pipeline technology (01-242	Norwa
anagement Centre Europe: Developing high per-	Bruss
T Conference: Aerospace enters a new era	Grosv
rost and Sullivan: Data communications:	Moun
	Law (01-342 2481) he Henley Centre for Forecasting: International business prospects (01-353 9961) merican Chamber of Commerce: The Role of the EEC Institutions and the Major Current Issues Affecting Business (01-730 3176) ocus: Understand Finance Workshop for Managers (0273 500796) ARC: Power and Political Behaviours in Organisations (01-486 6106) SS: Finance for the Non-Financial Director (0903 34755) anagement Training Consultants: Techniques of

r-Continental Hotel, W1 a Conference Cire, NW on Tower Hotel, SW1 on Press Centre, EC4

e Park Hotel, SW1 ion Metropole Hotel t Western Hotel, W2

sels

venor House, WI nt Royal Hotel, London

Anyone wishing to attend any of the above events is advised to telephone the organisers to sure that there has been no change in the details published

Financial Times Conferences WORLD FINANCIAL FUTURES London — 13, 14 and 15 September



This World Financial Futures meeting has been arranged to precede the opening of the London International Financial Futures Exchange. It comprises two major events, an international two-day conference, preceded by a one-day training seminar. The conference will analyse developments in financial futures markets worldwide and will focus on the views of the regulators and financial and corporate users. The seminar will provide practical assessment of bedging, arbitraging and trading

The speakers include: Michael Jenkins, Chief Executive, LIFFE; Geoffrey Gray, Senior Treasury Associate, Occidental Financial Services Inc.: Leo Melamed, Special Counsel to the Board, Chicago Mercantile Exchange; Robert McKnew, Senior Vice-President, Corporate Treasury Division, Continental Bank; Commissioner Susan M. Phillips, CFTC; and J. Bereford Packham, Vice-President and Executive Treasurer, United Brands.

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London — 13 October 1982 Co-sponsored by Money Management and the Unit Trust Association this one-day conference will assess worldwide investment possibilities, with special reference to the use of unit trusts. It will be of particular value to financial advisors, insurance brokers as well as unit trust fund managers. Under the chairmanship of Mr Mark St Giles, Chairman of the Unit Trust Association, and Mr P. J. Manser. Managing Director of Save & Prosper Group Limited, the high level panel of speakers will include: Mr Mark Weinberg, Deputy Chairman and Joint Managing Director, Hambro Life Assurance pic: Mr G. T. Pepper, Joint Senior Partner, W. Greenwell & Co.; Mr Vincent Duggleby, Editor of "Financial World Tonight" and "Money Box," B.B.C., and Mr T. P. F. Miller, Marketing Director, Framlington Unit Management Life.

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School, 4.45 The Space Sentinels.

6.55 Triangle. 7.20 Doctor Who and the

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Years. Dinner with Auntie The Variety Club

nises 60 years of public service in Radio and Tele-

Plains Drifter," starring Clint Eastwood and Verna

vision by the BBC. Live from the Dorchester Hotel in London. 10.00 The Monday Film "High

All IBA Regions as London

except at the following times:

ANGLIA

9.35 am Caroon Time. 9.45 Inter-national Detts. 10.16 Chiles. 11.10 Hear Nare. 31.25. County Reopte. 11.50 Wetton, Wattoo 1.30 on Anglie News. 5.15 Diff'rent Strokes. 6.00 About Anglis. 6.30 Beacon. 2.00 Minder. 10.30 Anglis Reports. 11.00 Thriller. 12.25 are Reflection.

BORDER

2.30 am History the Motor Car. 9.55 Vicky the Viking. 10.15 The Greet. Rebets. 10.40 Arms and the King. 11.00 The Greet Debets. 1.20 pm Border News. 1.30 Metimes; "East of Sudon." 3.15 The Great Debets. 6.00 Lookoround Mondey. 6.15 Campaign. 6.30 Try for Tan. 10.30 Thiller, 11.50 aorder News Summery.

CENTRAL

a.55 am it's a Musical World. 10.45 acyond Westword. 11.35 Saingray. 1.20 pm Contral News. 2.30 Psimors-town. 6.00 Central News. 10.30 Con-trasts, 11.00 Central News. 11.05 Lou Grant. 12.05 am Coma Closs.

CHANNEL

1.20 pm Chennel News, 2.30 The Monday Materies: "Monant of Dangor," 5.15 Nere's Soomer, 6.00 Channel Report, 5.30 Happy Days, 9.00 Lou

(S) Stereo broadcast (when broadcast on vist)

Bloom. 11.38 News Headlines. 11.40 Taking the Strain.

Great Britain recog-

The . Ice.

5.05 Newsround

6.25 Nationwide.

Monsters.

Warriors.

8.10 Panorama.

9.00 News.

Open University

pompous mathematics master in 6 new comedy series A. J. Went-worth BT on ITV. In the tide of sadness after his death it is too easy to over-estimate Lowe as a comedy player. His success

5.10 Blue Peter Flies the Was, in fact, in his casting World: Japan.

5.40 Evening News.

6.60 Regional News Magazines.

was, in fact, in his casting Unlike the Falklands, the Lebanon criss is getting the full televisual treatment. Tonight's World In Action takes us to Beirut and, in sharp contrast to an English boys' school in the Forties, gives us Beirut in its bloody present.

In fact Monday is usually an excellent day for radio. Start

the Week is a tempting reason to delay departing for the office and PM (why can't television do an early evening news like this?) an excellent reason for skipping off home early. Stick with Radio Four all evening and you will not go far wrong.

ARTHUR SANDLES

BBC 2

6.40 am Open University. 10.30 Play School, 1.35 pm Cricket: Third Test— England v India.

6.25 Tha Great Blizzard of 1891 6.55 Six Fifty-Five Special. 7.20 News Summary. 7.25 Golf: The Open.

- GRAMPIAN

9.30 sm First Thing, 9.35 Resume Street, 110.35 Festure Film; "Island of the Lost." 1.20 pm North News, 2.30" Monday Matines: "True se a Tursie," 6.00 Summer at Six, 6.30 Hands, 8.00 Minder, 10.30 Monday Moves: "Candi-date for a Killing" sterring John Richardson and Amita Ekbarg, 12.15 am North Hearthings.

GRANADA

HTV

8.20 The Paul Daniels Magic 9.00 Sing Country.

9.50 Cavalcade . . A Backstage Story. 10.49 John Field. 10.45 Newsnight 11.30 Cricket: Third Test-. Highlights. . .

except:—11.10 am Balley's Bird. 12.00 Docw Mam Yn Dwad, 4.20 Dn Safari. 4.45 Sér. 6.00 Y Dydd. 6.30 Report. Wates. 11.00 Nosweithiau Roc Sár. 12.00 Tha Madicine Men. Grant. 10.28 Channel Late News. 10.35 Aujourd "Huit on France. 10.40 Feature Film: "Cerevan to Veccerea." 12.25 am Newy and wasther is Franch.

SCOTTISH 10.00 am Target tha Impossible, 10.25 Portrait of a Villege, 10.50 Circus, 11.15 Adventuree of Paraley, 11.20 Arss in Concert, 13.0 pm Scottish News. 2.30 Action and Adventura: "Broken Arruw." 6.00 Scotlend Today, 6.40 Crime Desk. 2.00 Minder, 10.30 Late Cali., 10.35 Police Story.

TVS A.36 sm Aeaems Street. 10.35 Appry Hour. 11.25 Untermed World. 1.20 pm TSW Newe. 2.30 The Mondby Natinee: "Moment of Danger." 4.12 Gus Honey-bun's 2irthdays. 6.15 Here's Boomer. 6.00 Today South West. 6.30 Happy Days. - 2.20 Lou Grant. 10.32 TSW Late News. 10.35 Postscript. 10.40 Feature Film: "Certains to Vacarree."

9.30 am The History of the Motor Car, 9.50 Sport Bifly, 10.15 The Greet Debete. 10.35 Anna and the Kind. 11.00 The Greet Debete. 1.30 Monday Matines. 3.15 The Greet Debete, 6.00 Pehryte Amjenin. 6.30 Greenode Reports, 2.00 Strangers, 10.30 Thriller, 11.55 Superstar Profile. TTV 9.35 am Unterlied World. 10.00 Friends of my Friends, 10.25 Tarzam, 11.16 The Real World. 11.45 Lerry tha Lamb. 1.30 pm TVS Naws. 2.30 Mondey Matinee: "A Wark in the Spring Rain." 5.15 Warch This Space. ... That Monday Evaning Feeling. 5.30 Coest to Coast. 5.30 Over the Garden Wall. 5.00 Minder. 10.30 Hill Street Blues. 11.30 Jazz. 12.00 Company. 2.55 am 3-2-1 Contact. 10.25 Kum Kum foliowed by Cartoon. 10.45 Capperboard. 11.10 Vicky the Viking. 11.36 The Greatest Thinkers. 1.20 pm HTV News. 12.30 Monday Marlineo: "Rosa of Washington Square." 4.15 Cartoon. 6.00 HTV News. 2.00 Minder. 10.25 HTV News. 10.30 Scap. 11.00 Refere Street HTV Cymru/Wales—As HTV West

Cockleshell Bay, 12.10 pm Rainbow, 12.20 Under Fives, 100 News with Peter Sissons, plus FT Index, 1.20 Thames News with Robin Houston, 1.30 Van Der Valk, Barry Foster, Joanna Dunham in "Dead on Arrival."
2.30 Monday Matinee: Diana
Rigg in "In This House of
Brede." 4.15 Dr Sniggles. 4.20 The Sooty Show presented by Matthew Corbett, 445 Watch All Night. 5.15 The Electric Theatre

LONDON

9.30 am Sport Billy. 9.50 Inside

5.45 News. 6.90 Thames News. 6.20 Help! 6.36 Mr Merlin. 7.00 The Krypton Factor.

7.30 Coronation Street.

8.90 A. J. Wentworth, BA Arthur Lowe, Harry Andrews in "A Day in Harry the Life of . . . " 8.30 World in Action. 9.00 Quincy. Jack Klugman in

19.00 News followed by Thames News Headlines. 10.39 Hit,

New Blood."

12.45 am Sit Up and Listen with Lord Shinwell. † Indicates programme in hlack and white

ULSTER

YORKSHIRE

TYNE TEES

9.20 am The Good Word. 9.25 North
East News. 9.30 Hords, 2.56 Golfing
Greats. 10.20 Cardoon Time. 10.30
Aygones. 11.00 Sessema Street.
1.20 pm North East News. 2.30 Monday Mationes: "The Bush 9arby." 5.15
The New Fred and Betnry Show. 6.00
North East News. 6.30 Northern Life.
2.00 Minder. 10.30 North East News.
10.32 Thriller: "Colour Him Read."
11.50 Get It Right.

2.30 am Sassme Street. 10.30 Jean of Ster Command. 10.35 World Wa Liva In. 11.20 Rocket Robin Hood. 11.40 Children of Grupei. 11.65 The Undersee Adventures of Captein Nemo. 12.30 pm Calender News. 12.30 Monday Marinea: "Seven Days To Noon." 6.00 Calender (Emley Moor and Settent editions). 6.30 Happy Days. 9.00 Minder. 10.30 Brace in Concert. 11.15 Journey to the Unknown.

10.10 am Sesama Street. 11.10 World Leaders. 1.20 pm Lonchtime. 2.30 Menday Marines: "North To Alaeks." 4.13 Ulater News. 5.15 Film Furn. 5.00 Good Evening Ulster. 6.30 Squere One. 2.00 Minder. 10.29 Lister weather. 10.30 A New Kind of Family. 11.00 Pro Celebrity Angling. 11.30 Naws at Bactime.

the Golden Gate. 10.45 Crazy World of Sport. 11.10 Little House on the Pairie. 12.00 Deptford: a vacuous verdict

ferent, if not racially hostile, to

clients who were often, indeed,

SOME EXCEPTIONAL issues from some of the unjustified mains to be investigated. In because of the fallibility of are raised by the refusal of the criticism levelled at him. But this way the sting is taken out human institutions to uncover High Court to averturn the open he can also ruefully remark of the tail. verdict recorded at the coroner's that the system ought not to inquest into the tragic deaths of have exposed him to such an cism, and then conduct the case 13 black youths by fire in a intolerable burden. The case on appeal are bound to defend house in Deptford on January for giving the Home Secretary and justify their own actions, 18, 1981.* They stem from the some power, in exceptional cases and in so doing they will deflect peculiar nature of a coroner's of unnatural death, to order an function and from the profound social and emotional feelings by a High Court judge or a that underlie the tragedy that senior member of the Bar is befell the relatives and friends overwhelming. That alteration of the deceased, and aroused the barely latent feelings of an swiftly, so that there is no repeethnic minority that the indigenous population appears indif-

their plight.
The Lord Chief Justice and coroner. The Lord Chief Justice was his two indicial brethren first held that, if there were irregunot uncritical of the counsel who appeared for the relatives of the dead. Allnding to the often can offer the better ser-coroner's task, Lord Lane said vice. larities in the conduct of tha inquest, they were not material; and if they were, they did not go so far as to constitute unfairthat the coroner conducted the ness in the procedure. The High Court readily acknowledged the formidable those appearing on hehalf of the relatives." That is more than mild criticism, couched in task of the coroner. He had to faca a hattery of counsel committed to the cause of their

not content to let the proceedrested with those counsel. ings be conducted by their It is always counsel's duty, Counsel with the usual decorum above all, to represent his client. But he must not, at the of a courtroom, but frequently made noisy interruptions. It same time obstruct the smooth functioning of the court. Peris more than likely that the coroner had never experienced an inquest that lasted more than haps such criticism would not have occurred had the tribunal been equipped to handle any situation that might hinder tha a day, never mind one that took 13 days to hear, with an array of witnesses testifying to an incident that had baffled the process of law. police and would have exercised

Clients are always entitled to have the counsel of their choice. the skills of a High Court judge. But there are times, when the case goes on appeal, that coun-It is little wonder that the coroner found himself out of his depth in handling a highly sensitive case that called for sel are hampered by the fact that they may he the subject forensic expertise that he could of criticism in the handling of not properly he expected to postheir client's case. How much easier it would be for fresh sess. The High Court has said counsel to confess to the Appeal that, given the exceptional circumstances, be did as well as Court that their predec pleased at being expressed the criticism of the tribunal re-

Counsel who are under criti-

THE WEEK IN THE COURTS

of unnatural death, to order an inevitably from the strength of ad hoc inquiry, to be conducted the criticisms of the tribunal. particularly if the defence of their own actions does not find favour with the court. There of the law should be made is a golden rule that cases in the courts with political or imtition of the indecorous scenes portant social overtones are before, and subsequent combest not conducted by counsel plaints, about the Deptford who are sympathisers with their clients' cause. What the client needs is the professionalism of the Bar, and It is the politic-elly uncommitted barrister who

The Lord Chief Justice went inquest "to put it at its lowest, on to say that the interests of without very much help from justice did not make it necessary for the court to order a fresh inquest. Neither was it desirable to reopen the investilanguage that conceals Lord gation on any ground, whether Lane's feeling that some blame economic, social or humanifor the discord at the inquest tarian." On grounds of economy, there is much to be said for not adding to the mounting costs. At one stage of the hearing last week counsel said that no price was too high for attaining justice. But if that is excusable forensically, it is more than just hyperbole.

The costs of justice must price in order to satisfy the individuals, or the public in the administration of justice. If, as seems clear, no inquest is likely to answer the crucial question of who started the fire, tha expenditure of more money to come to the same conclusion is thoroughly wasteful.

Humanitarian considerations . R v. South London Coroner, ax parte would lead one to leave no ould be expected.

may have been unhelpful in stone unturned to satisfy the The coroner is entitled to be the tribunal, but nevertheless families of the deceased. But if nn conclusion can he reached,

the truth, their feeling cannot unfortunately be assuaged. Legal institutions are limited in what they can reasonably provide to belo in that healing

The second se

Drocess. Social factors, however, do dictate wider considerations. There is no escaping the reality that the failure of the relatives in get the inquest reopened is seen as part of a deep and ingrained sense that this is another example of Britain's overt racial discrimination. Whether such an attitude is reasonable, the fact is that the black community (or a sizeable aegment of it) believes passionately that, bad their faces been white, the courts' approach would have at least heen more sympathetic. It is sad that such attitudes persist. But their very persistence demands that a host nation owes to its immigrant minorities a consideration beyond

ordinary Even if a second inquest would not reveal anything other than the same, open verdict from a coroners' jury, that in itself would be a gesture towards those who want an inquiry that throughout retains the cyldent impartiality that did not unhappily prevail at the

earlier inquest.

That is why the demand for the Home Secretary to order have some limits. We cannot an inquiry should be sympa-afford as a nation to pay any thetically received. If the court could see no desirability of social needs to give satisfaction to the black community, there is every reason why the Government should lend its ear to a cry for a fair, second hearing, irrespective of the chance for a less vacuous verdict

Thompson and others, Time Report, July 9, 1982.

Justinian

RADIO

5.00 am As Radio 2. 7.00 Steve Dask. 10.00 Funny You Should Ask. Wright. 8.00 Simon Retes. 11.30 Dovs 10.30 Ster Sound. 1.00 Srien Matthew Lee Trevia including 12.30 pm Newswich Round Midnight (alereo from heat. 2.00 Pgul Rument. 4.30 Poter midnight). 1.00 am Encore (S). 2.00 Pguvell Including 5.30 Newsbeat. 7.00 You and the Night and the Music (S). Stavin' Aive. 8.00 Richard Skinner: 10.00 John Peel (S).

FADIO 2

5.00 am Ray Moore (\$). 7.30 Terry
Worden (\$). 10.00 Jimmy Young (\$).
12.00 Gloria Numriford (\$). 2.00 pm
Ed Stewert (\$). 4.00 David Herniton (\$).
10.00 Franch and Spanish Mussic (\$).
5.45 News: Sport 8.00. John
Ounn (\$), 8.00 Folk on 2 (\$), 9.00
Humphrey Lytelson (\$): 9.55 Sports.

FADIO 2

6.55 sm Weather, 7.00 News. 7.05

Morning Concert (\$0.0 News. 7.05

News. 9.06 This Week's Composer (\$).
10.00 Franch and Spanish Mussic (\$).
11.50 88C Symphony Orchestra (\$).

(S). 3.00 New Records (S). 4.56 News 5.00 Mently for Pleasure (S). 5.40 Music for Organ (S). 7.00 VN—The Great Erchenter. 6.00 Aldeburgh Festival 1982 Part 1: Britten, Walton (S). 8.45 Nonsense Novels. 9.00 Aldeburgh Festival 1982 Part 2: Mozart IS). 9.45 88C Scottish Symphony Orchestre (S). 10.25 Camillo Pisearco. 10.45 Jezz in Britain (S). 11.15 News.

RADIO 4

6.00 am News Briefing. 6.10 Farming Wask. 8.30 Today. 8.35 The Wesk On 4. 8.43 Glyn Worsnip in the 88C Saund Archivga. 9.00 News. 9.05

Start the Week with Richard Baker (5).

10.00 News. 10.02 A Smell Country Living.

10.30 Oally Service. 10.45

Morning Story. 11.00 News. 11.02

Down Your Way.

11.48 Ad Noc Cookery. 12.00 News. 12.02 pm You and Yours. 12.02 pm You and Yours.

1.00 The World at One. 1.40 The Archers. 2.00 News. 12.02 Women's Hour. 2.50 A Service of Celebranan and Thinksgiving to mark the 60th anniversary of the 88C (5). 4.10 Fit To Dive. 4.40 Story Time. 5.00 PM.

10.00 News. Financial Report. 6.30 The News Quiz (5). 7.00 News. 7.05 The News Quiz (5). 7.00 News. 7.05 The News Quiz (5). 7.00 News. 7.05 The News Quiz (5). 8.00 The World World Tombrit. 11.35 The Financial World Tombrit. 11.35

RACING

could be expected.

to a good start in the course's has travelled up from Sussex, Greenacre Maiden Guarantee will be well suited by the seven Sweepstakes (6.40).

Later, Steve Cauthen, who still bas an outside chance of taking the jocker's champion-ship from Piggott, can strike good as might been been been hack on Mama Leone in the Woodland Stakes (8.00). Two other possible winners

for Piggott are Tirawa in the Rosemead Handicap (8.30) and Sabre Dance in the Southlea Gnaranteed Stakes (9.00).

At Leicester, Bid Again is a reasonably confident choice, to land the Worksop Manor Stakes caster at the end of last month, (8.90) and The Quiet Don, who has Boccaccio to beat in the

furlongs of the Wigston Stakes (9.00).

At Pontefract this afternoon

judged on her breeding, Is leniently treated with 8 st in the Kellingley Handicap (3.15). Java Tiger is likely to go well in the Prince Handicap (4.45) and Faites Vite, whn was a creditable third to All Systems Go and Persian Glory at Don-

Glass Houghton Maiden Guaranteed Stakes (5.15). PONTEFRACT

3.15-Mahabba 4.45-Java Tiger 5.15-Faites Vite

LEICESTER 8.00-Bid Again*** 9.00—The Qniet Don* WINDSOR

6.40—Snatch And Run** 7.30—Cardinal Flower 8.00—Mama Leone 8.30—Tirawa 9.00—Sabre Dance

COMPANY NOTICES

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN NIPPON SHEET GLASS CO., LTD.

Further to our notice of March 18, 1982, EDR holders are informed that Nippon Sheat Glass Co. Ltd. has paid a dividend to holders of record March 31, 1982. The cash dividend payable is Yaz 2.50 per Common Stock of Yan 50.00 per shere. Pursuant to Condition 4 of the Toma and Conditions the Depositsry has converted the nel amount, ofter deduction of Japanese withholding loxas, loto United States Dollars. EDR. holders may now present Coupon No. 1 for paymont to the undermentioned agents.

Payment of the dividend with a 15% withholding tox is subject to receipt by the Oopositery or the Agent of a valid affidavit of residence in a country having a tex treety or agreement with Japen giving the benefit of the reduced withholding rate. Countries currendy having such arrangements are as follows:

F.R. ol Germany
Finland
Finland
França
Hungary
Hungary
Iraland
Romania
Italy
Spain
Swodan
Switzerland
Switzerland
Switzerland
Switzerland
Switzerland
Switzerland
United Kingdom
U.S. ol America
Zambra Selgium · itely Melaysia Falling receipt of a valid attidavit Japanese withholding tax will be doducted at the rate of 20% on the gross dividend payable. The full rate of 20% will also be applied to any dividends unclaimed after October 31, 1982.

Amounts payable in respect of current dividends. Dividend payabla Dividend payablo less 15% lasa 20%

Japanese Japanese withholding tax \$7.77 Group No. 1 EDR danomination

1,000 sheres \$9.71 \$8.25 \$5.77

Further to the notice of March 12 1982 concerning the free distribution of shares (1 new for each 20 ofd). EDR holders are informed that the new shares are now evaluable for delivery and should be claimed by presenting Coupon No. 2 to the Ospositary or the Agent. EDRs will only be issued in Authorised Denominations of 1,000 shares, therefore any EDR holder not able to present coupons making-up an Authorised Denomination will receive the net proceeds of the sale of their onthisment in United States. Onlies pursuent to Condition 5 of their Terms and Conditions.

Deboeltery: Chibenk, N.A. 336 Strand, London WC2R 1HB July 12, 1982

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS
(EDRs) IN

AJINOMOTO CO., INC.

Further to our notice of March 18, 1982, EDR holders are informed that Ajinomoto Co, inc. has paid a dividend to holders of record March 31, 1982. The cash dividend payable is Yan 5 per Coramon Stock of Yan 1982. The cash dividend payable is Yan 5 per Coramon Stock of Yan 50.00 per shere. Pureuant to Clause 9 of the Dapolit Agreement tha Depositary hos converted the net amount, after deduction of Japenese withholding taxes, into United States Rollers.

EDR holders may now present Coupon No. 2 for payment to the undermantioned agents.

mantioned agents.

Mantioned agents and with a 18% withholding tax is subject to receipt Payment of the dividend with a 18% withholding tax is subject to receipt by the Reputstery or the Agent of a valid affidevit of residence in a country by the Reputstery or a greemant with Japan giving the benefit of the reduced withholding rate. Countries currently having such arrangements are reduced withholding rate. Countries currently having such arrangements are Spain Swaden Switzerland Usited Kingdom U.S. of America Zambie The Netharlanda Now Zsalend Norway Rap of Korea Romenia F.R. of Germony Finland France Nungery Ireland

aa tollows: A. R. of Egypt Australia Selgium Srapi Canada Czechoslovakia Danmark Majayale Failing receipt of a valid efficient Japanose withholding tax will be deducted at the rate of 20% on the gross dividend payable. The full rate of 20% will clook be applied to any dividends uncomed ofter Optober 31, 1962.

Amounts payable in respect of current dividends.

ont dividends.

Dividend payable

Leas 15%

Jepanese

withholding tax

\$195.86 Coupon No. 2
EDR
denomination 10,000 shares Agent: Citibank (Luxembourg) S.A. 16 Avenue Merie Therase Depository: Chibsok, N.A. 338 Strand, London WCZR 1HB July 12, 1982

NOTICE OF RATE OF INTEREST BANQUE EXTERIEURE D'ALGERIE

USSS.000,000 FLOATING RATE

SERIAL NOTES DUE 1983 of the
Reference with the provisions of the
Reference Agency Agreement between
Reference Agency Agreement between
Rangue Laterieure d'Algera and Critanta
N.A. dabed as or a man 1975, notice
In hereby given that the Rate of interest
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Copton Amount Laterieure Agency
1985, against Expose No. 7 will be
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against Series No

12-July, 1922

NOTICE TO HOLDERS OF REED (NEDERLAND) N.V. 161% Guaranteed Bonds 1989 Copies of the Annuel Reports of Reed (Nederland) N.V. and of Reed International P.J.C. can be obtained

on request from: The Secretary
Reed International P.L.C.
Reed House, 83 Piccedilly
Lendon WIA 1EJ, England

CONTRACTS AND **TENDERS**

INTERNATIONAL NOTICE OF CALL FOR TENDERS

- METALLURGICAL PLANTS N*82/1-82/2-82/3-82/4-82/5-82/6-82/7-82/8

Financing
The Government of the Republic of Zaira has presented a request to
the European Economic Community for financing to cover the
supplies and services which form the subject of the following
invitations to lender. The contracts to be awarded following the
Invitations to tender are subject to the financing decisions.

Eligibility
The following are eligible to tender on equal terms: all natural or legal persons of the Member States of the EEC and of the African, Carabbean and Pacific (ACP) States signatory to the Second Lone Convention. Tenderson will be bound by their tenders for a period of 90 days from the state limit set for the submission of

plent, training of the user and maintenance stall and factorical excisions.

minimum. Each lot will be supplied with a betch of spare parts worth 15% of the value of the corresponding equipment. For each of these lots, the supplier will include as an option a series of earlies covering the training of the maintenance staff and technical assistance.

metal steepers). Lot n° &: -21 tull single turnouts for 1067 mm guege trank.

Lot nº 7: - 1 unit for carrying out shear tests on rock.
Lot nº 9: - 36 traction engines, 600 V d.c.,
Lot nº 9: - 2 Catarpillar track fame sets for a Catarpillar DS

Dozer.

Lots Not 1 to 6 must each be provided with a batch of spare parts and subassembles worth 10 % and 15 % respectively of the value of the corresponding equipment.

For lots 1, 4 and 8 the supplier will include as an option the presence of a speciesst filter for the commissioning of the

equipment. For lots 1 and 4, he will also include, as an option, training of the user and mantenance stall and lechnical assistance.

Invitation to tender if 82/6 (EEC N° 1809)
 Supply on a furnisty basis of a substrate acid production unit, atongside the existing installations already operated by GECAMINES at SHITURU, near LISAKI, in the SHABA region

2.7. Invitation to tender if 82/7 (EEC N° 1810)
The supply of a "turnkey" dust likering unit for the treatment of smoke femaled by 2 Veser-Jacket (W.L.) overs in operation of the province of cupitation plants for the processing of concentration of cupitations minerals which GECAUNES runs at LUBUMBER.

2.8. Invitation to tender of 82/8 (EEC N° 1811)

The supply of certain "survivy" equipment that is to be used in an existing copper mineral crushing unit, situated at ground lovel in a plant operated by GECAMINES at KAMBOVE, near LIKASI, in the SHABA region. The call for bids has two parts:

Part 1: - A creshing mill with lows and double action capability for the pureary cutting of copper miserals (highly abrasive materials) which is able to process at full capacity 500 t/h (with no by-pass for line minerals).

The crushing mill is to be bid for as a complete unit, including certain additional equipment.

Part 2: - A dual track travelling crame, 38/5 L complete, except for the travelling crount and the track which are already located in an existing balliang and which are to be re-used.

The invitation to tender dossier, which is in French, may be cotained on application to:

— La Générale des Camères et des Mines, BP 450, Luitumbashi

(Republic of Zarre) La Générale des Carrières et des Mines, BP 8714, Kinshasa.

(Repulsio of Zara)

- La Genérale des Carrières et des Mines, 55, rus Royala,
B-100 Brussals (Relgium)
which will also be able to supply any additional information.

- Commission of the European Communities, DirectoraleGeneral for Development, rus de la Loi, 200 - B-1049 Brussels

Tenders must reach: Monstern to President-Delégué Général de la GECAMINES B.P. 450 - Lobumbasti - République du Zaire by 11.00 hours local time on 23.8.1852 at the latest, for tenders Nos 92/1 - 82/2 - 82/3 - 82/4 - 82/5, and at the latest on 20.9.1982, by 11.00 hours local time for tenders Nos 82/5 - 82/7 - 82/8.

Tenders will be operad in public in Lubumbashi, at 14.00 hours local time or 23.8.1982 or on 22/9.1982 following the case, in the meeting room of the Delégation Générale de la GECAMINES, boulevant Kamanyala, Zone de Lubumbashi.

3. invitation to tender dossier

4. Submission of femiers

Tenders must reach:

issued by the REPUBLIC OF ZAIRE

2.1. Institution to funder in 82/1 (EEC N° 1804)
Supply, in two lots, of heavy mining plant.
Lot in 1: - One 25 cy. shows with a betch of spare parts and stuti-assembles (10 % and 15 % of the value of the plant respectively).

- A number of services covering the assembly of the plant respectively.

technical assistance.

Lot nº 2: - Four 35 t capacity buckets for underground operation with a batch of spars parts and sub-assembles (10% and 15% of the value of the plant

respectively).
A number of services covering the assembly of the equipment, the training of the user and maintainance equipment in the training assistance.

2.2. Invitation to tender n° 82/2 (EEC N° 1805)
Supply in five lots, of equipment for the operation of metallungical plants.
Lot n° 1: - Two 30 t diesel locomotives.

2.3, invitation to tender in 82/3 (EEC N* 1806)
Supply, in five lots, of vehicles.
Lot in* 1: -23 automatic great box dissel-engined buses.
Lot in* 2: -33 dissel-engined 7-8 t lornes.
- 1 aprinkting-sweeping lony.
Lot in* 3: -8 dissel-engined approx. 12 t lornes.
- 2 miscellangua tomas (trackers units, factors, fire and brasidown lornes).
Lot in* 4: -40 dissel-engined 2-31 pick-up vehicles.
- 25 dissel-engined buses with approx. 24 seets.
Lot in* 5: -25 dissel-engined light pick-up vehicles, 1 1 minimum.

For the supply of - MINING EQUIPMENTS

(La Gánérale des Carrières et des Mines - GECAMINES)

for a project which may be financed by the European Economic Community, European Development Fund,
pursuant to Title III - Mineral products - of the Second Lorné Convention (SYSMIN).

Lot nº 1: - 1 crane with a capacity of 125 the 4m minimum, and 40 the 10 m minimum.

Let nº 2: - 4 mobile clease: compressors (20 m³/min - 7 kg/cm²)

- 1 mobile clease: compressor (20 m²/min - 1 kg/cm²) - 1 mobile diesal compressor you my man 12 kg/cm²)
Lot n² 3: - 1 250 kVA - 2200 V three phase generating set.
Lot n² 4: - 7 hydraulic site oranes with a capacity of approx.
151 at a working radius of 3 m.
Lot n² 5: - 3 hork-it nucles, capacity of 4-5 t.
- 1 grab-type lit nucle.
Lot n² 6: - 4 hydraulic sams to be mounted on a road-going torn.

Lot it 1: - Two 30 t dissel locomotives.

As an option, a series of pervices covering the assembly of the equipment, the training of our user and maintenance staff and technical assistance.

Lot it 2: - Two pneumatic-lyred locations.

- As an option, a series of services identical to those listed for lot it 1.

- Lot it 3: - One 550 V electric boller.

- One 6.600 V electric boller.

- Lot it 4: - Five atomic absorption units.

- As an option, a series of services covering the assembly of the equipment and training for our user and maintenance staff.

Lot it 5: - One . staff one of services covering the assembly of the series of services of the series of the series of services of the covering services of the series of the series of services of the series of the seri

2.4. Imiliation to tender n° 82/4 (EEC N° 1807)
Supply in two lots, of salvary equipment.
Lot n° 1: 15,5 km of track, Vignotes reil, BCK profile, 40 kg/tt,
with accessories (ast) plates, balls, clips, washers, 2.5. Immediate to tender of 82/5 (EEC N° 1806) Invitation to tender for the supply, in rime lots, of verticus mining

NOTICE TO CONTRACTORS

National Electric Power Authority, Lagos / Nigeria

Pre-Qualification for Additional 330kV and 132kV Transmission Lines

The National Electric Power Authority (NEPA) intend to carry out additional 330 kV and 132 kV transmission lines througout Nigeria. This will involve the design, manufacture, supply and erection of approximately 450 km 330 kV lines and 540 km 132 kV lines in different parts of the country, divided into three lots. More details can be obtained from NEPA or their consultant Motor-Columbus, Baden, Switzerland.

The Contractors wishing to be considered for pre-qualification are invited to write to NEPA or Motor-Columbus and give the following

(a) Contractor's financial status, organisation, personnel,

equipment and plant. (b) Contractor's experience in similar works in Nigeria or similar countries: extent (of each contract specified) of 330 kV and 132 kV transmission lines, relevant employers,

consultants and periods of construction.

(c) Number of lots the Contractor considers himself capable of undertaking. This should correspond to the Contractor's past

experience and present capacity.

(d) Staff: number of engineers, technicians, foremen, skilled and unskilled workers (separately). (e) Manufacturer: name of electrical equipment manufactured if bidder is a manufacturer; if not, bidder should state name of manufacturer of equipment to be offered and the relationship between bidder and manufacturer with

supporting evidence. (f) Incorporation: -if incorporated in Nigeria, submit certificate of

incorporation; -if a joint venture or partnership submit clauses of

agreement; -if this is the first job in Nigeria submit evidence that arrangement is on hand to comply with part IX of the enterprises promotion act that requires incorporation

within twelve months. The Contractor's request for pre-qualification should be sent to one of the following addresses, in order to arrive by the 1st August, 1982:

> National Electric Power Authority **Electricity Headquarters** 24-25 Marina Private Mail Bag 12030, Lagos, Nigeria

Motor-Columbus Consulting Engineers Inc. Parkstrasse 27 CH-5401 Baden, Switzerland

Attention: Mr. Okaru, Assistant General Manager (Engineering)

Attention: Mr. W. Weiss, Dept. L

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EDITED BY CHRISTOPHER LORENZ

How Wilkinson Sword sharpened its thrust

BY DUNCAN CAMPBELL-SMITH

IT TAKES an unusually confident chief executive to treat future growth as a management option. But that is exactly the approach of Allegheny International's Robert Buckley.

He has summoned the top executives of the diversified U.S. manufacturer—and parent of Britain's Wilkinson Sword -for a special two-day meeting at the end of the month solely to decide just how big they want their company to be.

Nothing better illustrates the femarkable management style that characterises the Atlegheny group. It suggests, too. a degree of planning and resolution not always associated with Wilkinson Sword in its last years of independence (as Wilkinson Match) before September 1980.

In the late 1970s, when the mooted, the management dif-ferences between Alleghenv ferences between Allegheny and Wilkinson seemed only too evident. But this was only a small part of the story.

By the time the union was changes were already under way in the British company. As a result, Wilkinson has lived up to the part assigned it in 1980 by its American parent—and in some respects has gone beyood it—that is to play a more central

role in Allegheny's future.
Buckley, Allegheny's amplyframed executive chairman.
thinks that the future is most
likely to entail a modest doubling of total group sales to 86hn Joy 1987. That means a 7 per assuming 6! per cent inflation for the period.

Amazed

"That's as measured by the GNP defiator in the U.S.," explains the chairman. "If inplains the chairman. "If in-flation's bigher than 61 per ceot, I will really be amazed.

Buckley gives the powerful impression of a man seldom amazed and never pleased to be so. Surprises should he restricted to the concert hall -he is president of the Pittsburgh Symphony Society, " my beloved orcbestra" - but kepl clear of the boardroom.

· Firm maoagement, as it were. should kill all known surprises. You must make the decision; ment problems in the aftermaking it is more important than getting it 100 per cent



speciality manufacturer in the acquisition push in 1980 conwhole U.S. steel industry in cluded a long and complicated 1972 — and put forward a story now brusquely hil not strategic plan three years later to relocate Allegheny Ludium, as three years of "irrelevant as three y as it was then, outside the steel hickeriog. industry altogether.

Buckley stuck to this alm through a tumultuous five years, acquiring a succession of major companies. Then, in a \$195m deal io 1980, he finally sold off the steel business itself. Founded originally in 1854 and by 1980 still the second largest speciality steel producer in the world after Nippon Steel, the division at the end was accounting for only a quarter of Allegheny's gross revenues and as little of its earnings.

acquiring Wilkinson Sword, Allegheny and Robert Buckley embraced a company which had attempted in its own. rather smaller, way to effect a similar transformation.

Over the 1977-80 period, howobvious that Wilkioson Sword had ruo into serious managemath of its 1973 merger with

be described as having made with a £19m hid; the resulting and implemented one of the conglomerate was Wilkinson more celebrated decisions on the Matth, now record Sword:

recent U.S. industrial scene.

The relevance of the 1977-80

He took charge of the largest years is that Allegheny's final

The style and direction of Wilkinson's management had more than once over this period been the target of public crlricism-and most notably of some harbed, Parthlan shots from a departing Denys Ran-dolph who had been sacked as chairman by his fellow directors in September 1979.

"I have believed for some time," said Randolph that September, when Allegheny still "that there is a hasic weakness in management."

The man from Pittsburgh has always agreed with this verdict. Wilkinson was suffering from too many management people gelting in on the act," says Buckley today. "There was a tendency for seoior managers to second-guess themselves and lose their confidence when the going got tough.

"I hate to say this because nan getting it 100 per cent British Match Corporation. (It it's so often said of the British, ght."

was actually British Match But people in the company were Buckley himself could fairly which launched the merger talking it to death." It's so often said of the British.

It has been getting a good hammering, too, from people in the City. Shares took a bump down to 140p when Randolph left. Nine months later, at the 115p and still on the slide.

After another three months Allegheny stepped in and paid 187p cash for the 66 per cent of the equity it did not own.

The U.S. company's motives were various and unsurprising. Wilkinson appealed as the nucleus of an interoational business in coosumer products. And the shares were cheap; Allegheny had bought its first 1977 at 260p each.

Carnivore

But Allegheny had some other, more immediate incen-ilves. One of them, ironically, was Randolph's own departure and that of other key executives in his camp.

The dominant influence in Wilkinson's boardroom ever since has been Christopher ously as Lewinton, now its chief executive and a memher of Allegheny's own hoard since early

style. When he sits at the table with Buckley, two carnivores together, the meeting of minds is very evident.

Like Buckley. Lewinton has a penchant for the incisive management strategy. Whatever Randolph's criticisms of the team he left behind, Lewinton koew exactly what he wanted to do with Wilkinson

Buckley was well aware of this. How much he and Lewinton discussed their ideas together hefore September 1979 is less than clear. But once Lewinton was in the driving seat, Buckley saw no reason to sit back and watch the Wilkinboardroom's guessing game go on.

He liked what Lewinton had in mind—"a very good plan" says Buckley today — and if Allegheny had to take 100 per cent control in order to protect the plan's future, its chairman certainly had no objections, bowever much he still describes himself somewhat disingenu-" the · reluctant bridegroom ".

It all came down, again, to lecision-making. "Allegheny decision-making. Allegheny brought along the conviction Lewinton ran Wilkinson's that a good idea is worth U.S. subsidiary from 1960 to pursuing , says Buckley. "Our 1971 and there lingers about contribution was to make them him the unmistakable aura of a stick, to it and see the thing business carnivore. American through

in 1980 even before the cormanagement style which trans-porate wedding. "We looked at formed Allegheny so compretheir information and account hensively in the 1970s. The ing procedures and 70-80 per result today is an Allegheny them stayed unchanged, says the Allegheny chairman. Adjusting the new subsidiary to its U.S. parent group was "almost a non-event ways. integration nowadays is so

disciplined by the computer." After the wedding, the plan went ahead in earnest. Lewinton describes it as, essentially, "a programme to shrink down Wil-kinson Sword into its best producing units, to trim all its product lines and to reassess consolidate its international position."

In its razor operations, for example, Wilkinson found itself coping with no less than 140 product variations from different colours of packaging to different model designs. This was cut to fewer than 60.

Similarly, Wilkinson's entire Shears line of garden tools was redesigned; half the variations on basic models of its pruners were eliminated.

Buckley insists Allegheny had little to teach Wilkinson about consumer product manufacturing and marketing—quite the opposite,

But if the U.S. parent's influence was minimal, the plan hears a striking resemblance to past Allegheny practices.

Buckley says he likes to see no more than six levels of management between himself and the fellow on the shopfloor in any Allegheny operation. In 1980, Wilkinson had 21 levela in some areas and an average of about 11. Lewinton says he had already planned to change this; today, there are six levels

in the British subsidiary. Redundancies throughout Wilkinson's global operations have been swiftly implemented: 3,000 in 1980-81, 85 per cent of them outside the UK. "Fewer and better people is what we're after," says Lewinton caudidly. Research and development also went the way of past

Allegheny operations. It was cut up into smaller divisions to put the engineers closer to the sharp end of the businesses they were supporting. "Quicker. leaner and nearer the bottom line" in Lewinton's words—though they might just as well though they might just as well have come from Buckley. ... Wilkinson Sword, in short,

A good start had been made has had a good dose of the subsidiary contributing to the whole group in three major

> Two of these are much as one might expect. Wilkinson's various businesses have firmly underlined Allegheny's move into utilitarian consumer goods particularly in the kitch the garden. And at the same time they have helped Allegheny's expansion outside the U.S. — Wilkinson accounts for about 40 per cent of the whole group's \$1hn interna-tional sales at present.

> The British company's third contribution, though, gives a nice twist to the triumph of Buckley's management style. Wilkinson has shown Allegheny the way ahead in its consumer markets — and Christopher Lewinton has achieved an importance in the Allegheny hoardroom, as head of its inter-national division, which goes far beyond his role as Wilkin-son's chief executive.

Crossflow

"We didn't really know how to fix a sick consumer company," says Buckley, describing the crossflow of ideas between London and Pittsburgh. "We just watched Wilkinson." Lewinton's growing respon-sibilities now include the overseas side of Sunbeam Corporation, the U.S. kitchen and bathroom appliances company which Allegheny acquired last January.

Today, Buckley and Lewinton together have ambitious international plans for Allegheny. There will be more European acquisitions in specialised industrial manufacturing, as the group strives to concentrate on technology rather than price-sensitive mar-kets. Above all, says Lewinton, we want to take around the world some U.S. domestic businesses with unique technolo-

All of which leads back to that basic question of size. Lewinton will be one of nine group executives meeting with Buckley in Pittsburg at the end of the month. Over two days, they will decide Allegheny's future growth rate. Then, to judge from the track record. they will stick to their decision.

Management abstracts

The Ideas of Frederick W. Taylor. E. A. Locke in The Academy of Management Review (U.S.), Jan 1982

Evaluates Taylor's philo-sophy/methods, and concludes sophy methods, that a good many of his ideas are accepted by present-day managers; asserts that much of the criticism is based on a misunderstanding of the precents.

Introducing new technology into the office. BACIE Journal (UK), March 1982 A useful series of checklists of points to bear in mind, ranging from technical considera-tions through recruitment/train-

ing to ergonomic factors; there is a post-script list of questions to ask after implementation. Chief executives and the paradox of power. D. C. Calabria in Business Horizoos (U.S.). January/February 1982

Suggests reasons why the power of too executives is limited; notes inherent "traps" (ex "filtered" information that gives managers only half the story-perhaps the wrong half). and outlines how to recognise them; advocates alliance with the personnel officer, and recites mutual advantages of such co-

Impact of the foreign corrupt practices act. S. L. Caron in Journal of Contemporary Business (U.S.), Vol. 10 No 3 Recounts examples of com-anies embroiled by the legisabroad, and draws a otoral front the fact that no other country

has followed the U.S. lead. The British "are very aggressive in paying bribes." Structuring capital spending hurdle rates. A. H. Seed in Financial Executive (U.S., February 1982

Admits that the use of minimum burdle rates for capital investment seems to be confined to very large companies, and that even they tend to use round number rates; argues the case for hurdle rates (in particular, multiple rates) capable of dealing with different opportunities; investment demonstrates how rates can be huilt up from a base cost of capital, an adjustment for risk, and an adjustment to reflect the strategic importance of an

These abstracts are condensed from the abstracting journals published by Anhar Manage-ment Publications. Licensed copies of the original articles may be obtained at £2.50 each (including VAT and p+p; eash with order) from Anhar. PO Box 23, Wembley HA9

investment.

TECHNOLOGY

Speech

Texas to shorten design time

TEXAS INSTRUMENTS of the : WELWYN U.S. this week began a new service in the Far East designed to shorten design-to-production sound and speech functions.

Steven Howard, Texas Instruments' merchandising manager for Asia, said a new tool called elevators lo start full produce, tion of new items within 18 weeks of conception. Worcester group, claims in hold

The PASS took developed in more than 35 per cent of the the U.S. and about the size of a total West European resistor small case, alows TI's engineers to prepare a computerised record of desired sounds and words right in the customer's words right in the customer's components. Welwyn has office and to deliver sample managed to remain profitable microprocessors those sounds within hours.

Previous systems required customers to record sounds on . tape at a Tl service centre. The . tape then had to be sent to either Japan or the U.S., where sample integrated circuits were prepared. The process might take several weeks for the sample alone, he said.

Hand-held cames with beli-whistles, and voices that tell the player whether be's won or lost are among popular items made in the Far East incorporating of Red incorporating at Red incorporating at Red incorporating at Red incorporating at Red incorporation at synthetic sound.

But items such as computers that "speak" in either Chinese or English are also in this category, as are "speaking" elevators that announce floors and speaking television that reminds the user to turn off the reminds the user to turn off the gas at night.

The design service is free to the liberalisation.

The design service is free to the liberalisation.

the customer, but it charge, \$12 to \$15 each for each sample set of chips including voice and synthesiser chips and central processor. Charges for the braoch exchange (PABX) until next spring. chips are considerably lower in quantity production

More than len companies in Taiwan now use T1 synthetic OCS500. speech in their products. These include two Chinese-language computer systems that "speak" priors needing between 50 and cabinet. the Chinese words as the opera-

tor keys them in.

Although the Asian debut which until recently was a on the other hand, it is replication which until recently was a on the other hand, it is replication which until recently was a on the other hand, it is replication which until recently was a on the other hand, it is replication to make than its free.

Was in Taiwan, the PASS British Telecom monopoly.

Or, he service will also be available at ... TI design and service centres: ITTBS sales director, this as well as sales offices, in Hong; segment of the PABX market Kong, Seoul, and Singapore. In will be worth about £50m a year.

The line circuits, meaning of the circuits, meaning of the circuits, meaning of the circuits.

How Europe's largest resistor manufacturer is diversifying to grow

Welwyn moves actively from passives

BY ELAINE WILLIAMS

Europe's largest resisior manufacturer, has embarked upon a massive diversification protime of fast-maying products gramme in electronics com-incorporating computerised poments and assembly to ensure its survival in the world compoments industry.

From its original base in resistors. Welwyn has grown to become an important hybrid the "portable analysis southests turrent maker, flexible printed system" 1PASS1, will allow circuit board manufacturer and manufacturers of "speaking" a large custom assembler for manufacturers of "speaking" a large custom assembler for games, computers, and even present full present for arrived circuit boards. It also distributes microprocessors. Welwyn, part of the Royal

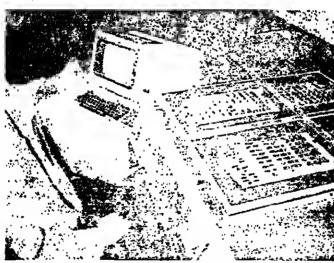
> Despite depressed market for passive

containing and presently has a turnover of about £20m. But these days selling standard components such as resistors and capacitors is a

Recently it spent £1m oo new

market is ITT Business Systems.

all-digital



Most electronics companies still manufacture printed circuit boards using plated holes through which components' leads are inserted, followed by automatic testing techniques.

Advanced hybrid circuits need a new approach in manufacture

with the announcement of an all-divided machine called facilities, the OUSD'M is not contained facilities are needed.

OCS 200 has all the features now generally associated with compact, occupying no more transported facilities are needed.

It can thus be easily absorbed the on partly because it will be

The line circuits, meaning and could be proposed to the country and could be considered to the country and country an

by the end of 1983. He sees control equipment are housed in In a driven the evaluate will two or three, or he can have all

resistors and capacitors is a on-Tyne has dropped by around congunents. Compared with very cut-thmat, cost conscious business competing with Japaness and U.S. companies. To Mr. John Herrin, one may be Tally has been believed by ness and U.S. companies. To Mr John Herrin, one main of This has been achieved by minimals a competitive edge. Welwyn Electronics, the min procedure the efforts on the companies like Welwyn need to breita organisation. For the mine unique deprecial such as configually invest in more auto- group's electronics performs mated manufacturing equip-said that his aim was to reductional, the company's dependence on

ITT claims that unlike other

compact, occupying no more

Telephone exchange aims at small businesses

The exchange will sun com, surface area than a mine

According to Peter Benstead, model in an exchange room,

mature printed errout boards song thick and thun film hybrid echaelogies and developing

HOT ON the trail of the newly BT's Monarch 130 to 100 lines or which can be fit well into the forthcoming his calls diverted to the liberalised private automatic as "the only real competition" standard tertically to a maximum national / international electors.

flation upon emby is minimised by problems, conly

of circuit hoards for computer are combined with tiny thin and telecommunications indus- film circuits mounted onto thick existing flexible printed circuit Coupled with this, miniature

Outside military, aerospace and few other specialist applications most electronic circuits are made using conventional assembly techniques. Passive and active components which have leads or metal legs which are inserted through one side of a printed circuit board and then soldered to a metal track.

As with microelectronics,
however, it has been possible to shrink the size of the pas-

sive components—the risistors more space saving.
and capacitors—and the printed
However widespre circuit hoards onto which they are mounted. It is in this area that Welwyn wants to expand.

These miniature circuits

mainly use thick and thin film nybrid technology. Thick film tive pastes squeezed through a patterned screen onto a ceramic substrate. It is a technique very similar to convectional screen

Thin film, which can produce exploited.

Smaller circuits but is more ex
By contrast in Japan, use is the ing passing components used for making silicon chips.

With the connected to them. With thin film it is possible to make tiny arrays of transisof Bedlington near Newcastles standard resistors and similar into grounding outson assembly tors. Often the two technologies the chip variety.

tronic digital transmission and

switching. For example, a caller

the specific apparely can camp on to a busy exten-dentify time division switched ston, put his phone down and the recalled when the extension an operator's display. It can be recalled when the extension an operator's display. It can even be monitored remotely

Or, he can "park" an incom-

portions of the relation of the repair of the relation of the

used numbers can be reduced in

now generally associated with the list is considerable.

dialling, in worch 10 digit often- More on 0273 507111.

switching environment.

resistors and capacitors called chip components have been de-veloped which have no metallic legs but are simply glued to the surface of the printed circuit hoards.

There are many advantages in using chip or leadless components including space saving. It is possible to increase speed of automatic assembly of printed circuit boards and few holes have to be drilled on the boards which again leads to

However widespread application in the electronics industry is hampered by the higher cost of the miniature passive components and the need to invest in new types of printed circuit board assembly equipment.
In the UK market, hybrids s a screen printing technique account for only about 5 or 10 per cent of the total industry. It is only where space and

weight considerations are the

overriding factor—such as in military and aerospace applica-tions that it has been widely pensive, is based on a photo-graphic process akin to that used for making silicon chips. With thin film it is possible to make tiny arrays of transis-half the resistors made are of

Trunks can be barred from

The exchange can also look

certain extensions, three way conference calls are possible—

after itself quite well. It con-

over a phone line from a central

Lasers

Battelle's laser Xrays

UNDER a one year study programme for the U.S. Air Force Battelle's Columbus, Ohio, laboratories are attempting to use laser generated X-rays to etch semiconductor patterns at 100 times the density obtained on most large scale integrated circuits at the

The high energy of a laser beam is used to generate secondary X-rays from a target. The rays then illuminate the mask and etch a corresponding pattern on a thin film of

material below.

There is a "chemical reaction" in the areas exposed to the X-rays and after development this forms a layer of an

integrated circuit.
The limit at the moment in circuit production is the wavelength of the ultraviolet light used for this exposure. The light is diffracted very slightly, hut enough to hlur the pattern. Because X-rays have such a short wavelength the diffraction is less and finer patterns can be

created Apparently, the energy and intensity balance of the X-rays used are such as to allow a fast exposure rate for full acale

Dictionary Jargon

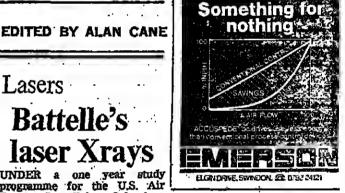
explained

THE ENGLISH language and rapid technological change do not make particularly happy bedfellows. The layman seeking a simple explanation of, say, how a microcomputer works, is often treated to a barrage of technical jargon from experts which only bewilders him further.

Even engineers, it seems, do not always see eye to eye on

do not always see eye to eye on meaning. Graham Langley, while evaluating telecommuni-cations tenders for Cable and Wireless, found that differing interpretations were responsible for wide variations in the costs quoted by manufac-turers for identical items.

This discovery led Mr Langley, now an executive with Telecommunications Systems, to start compiling his own list of definitions. The result is Telephony's Dictionary f Telecommunications, a GEOFFREY CHARLISH | glossary of technical terms. . .



Programming

Helping investment decisions

FT INVESTING readers might be forgiven for doubting whether any computer program and database could ever he clever enough to give perfect advice about the timing of share purchase or sale.

The proponents of a new system called AID do not claim infallability either but they do say that investors' decisions can be significantly improved." Analysed Investment Data Services of Stockport (061, 477

1069) after several years of research has amassed a data bank of world wide investment intelligence which, it is claimed, can answer many of the questions that investors normally ask.

Opportunities

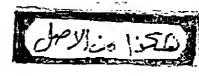
The company emphasises that the service goes well beyond merely providing current prices and financial news and can identify opportunities and the correct time to exploit them. Subscribers are provided with a small computer, the only further requirement being a TV set and phone line. The pack can he used anywhere in the

world. Users simply make a short telephone call each day to up-date their computer at home or in the office. The computer then stores and prepares to present an analysis of information re-quired. Subscribers can 25k questions via the minicomputer and get a prompt reply.

The basic service of AID provides a relative analysis of the world's stock markets and their indices, a full analysis of the gold price, UK and U.S. stock market technical indices, the UK gilt market, the world's leading currency markets, pins an information facility enabling all subscribers to converse through the computer with the

AID managers. Rental for the basic package is £5,000 a year.

丰庆



for a module on he added. switching. For example, a caller can "camp on" to a busy exten-

Architecture

Colin Amery

Wren...the spirit and the genius

Christopher Wren was born 350 years ago. This important anniversary has been beautifully commemorated in an exhibition at the Whitechapel Arts Gallery that is a controlled display of his calm genaus. Sir Christopher Wren 1632-1723, Whitechapel Art Gallery, Whitechapel Art Gallery, Whitechapel High Street, London, E1. Open Sundays to Fridays, 11 am to 5.50 pm, Thursdays 11 am to 7.50 pm, closed Saturdays. The exhibi-tion runs until September 26, closed August 29 and 30.

Wren is probably England'a most famous architect. All schoolboys bave heard of bim and be is present at every national occasion in his cathedral of St Paul's. No

admired as a man with a combination of gifts. "Since the time of Archimedes, there scarce ever met in one man, in so great a perfection, such a mechanical hand, and so philosophical a mind." These are the words of his friend,

Robert Hooke. The churches, in particular. demonstrate the two sides of Wren's nature; they connect bis beliefs in the rational and the transcendental. Wren, in his earliest lectures as Professor man, two exhibits, one fantastic of Astronomy at Gresham and one factual, ensbrine the College, London, wanted to two sides of Wren's nature. A demonstrate that our creative diagram of the movement of faculties helong within the Divine Order. He wrote: "One scientific concerns. A buge could easily believe that the matercolour by C. R. Cockerell finest, greatest of the geo-

planes . . . no doubt in order to show himself to mortals

Architecture for Wren is agen as the synthesis of mathematics and the rational, if unknown, order of the universe. The fact that his synthesis left no room for the irrational element that so often is the real motivation of art, may account for tha cool response that is often accorded to his work today. His pupil, Hawks-moor, satisfies the current taste for architectural excitement in a way thet is not posssible for Wren, but this exhibition may be a turning point—because it succeeds brilliantly in its ex-

position of the mind of Wren. The gallery bas been transformed by the architect Alam Colquhoun into a series of dark grey spaces that are enlivened on the ground floor by processionally arranged arched openings arranged in pairs. The whiteness of these simplified cathedral of St Paul's. No other architect has ever succeeded in conveying the mation's consciousness in one building. The City of London has suffered destruction and depredations that bave all but erased its heauty, but the spirit of Wren is still present.

Walk into any of Wren's City churches and you are immediately aware of the sources and manifestations of his genius. In his tima he was admired as a man with a comment of Wren's intellect. ment of Wren's intellect.

Wren the man is present as a benign host at the opening of the exhibition. Edward Pierce's bust, made in the year that Wren was knighted, and appointed architect to the new cathedral of St Paul's (1673) has a spark of life and beauty that is entirely missing from the more hagiographic and less buman oil portraits that surround it.

Close to these images of the meters, God Almighty . . . than 60 building by Wren, all .

drew the lines, circles and of them arranged around the presiding glory of St Paul's as if in homage to the culmination of Wren's creative power.

The man of science displayed in the exhibition shows Wren to have been consistently concerned with the minutiae of lifa itself as a basis for the establishment of rules that could explain the natural order.

Mathematics, astronomy, anatomy, microscopy, physiology, meteorology, all interested Wren and indicate to us the broad nature of intellectual activity in tha 17th century.

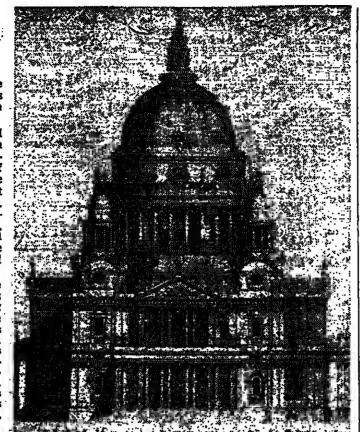
With the benefit of these thoughtful glimpses of Wren's ordered and endlessly inquiring mind, the major part of the exhibition is devoted to his architecture gains in both depth and clarity. The architecture is displayed by Wren's own drawings and a selection of engravings and fragments of models. His architectural career is divided by the acurce of his commissions — the universities, the church and the Crown. The core of the lower gallery's display is Wren's response to London after the Great Fire. Canaletto's view of

London from the terrace of Somerset House, probably painted in 1750-51, shows the

total achiavement.

London, in this painting and in the more datailed drawings of individual churches, can be seen as a City that reflected in its public buildings a logic and a beauty that was refined from an understanding of the larger forces that order the lives of man. The skyline of London was one of the wonders of Europe, each of Wren's towers and steeples aspired to Heaven and collectively led up to the great dome of St Paul's where the buge bowl of the universe seems to bave found its earthly

The whole of the upper part of the exhibition is devoted to St Paul's. The successive stages of the design are clearly shown - it is sad that in such a definitive exhibition the Great Model from the cathedral could not bave taken its rightful place with all the drawings. However,



Early 18th century engraving of a drawing by Wren showing the scale of the west front of St Paul's.

the Dean and Chaper of St Paul's have put the model in that the visitor into the City to look crypt of the cathedral and restored it for permanent display ser, Professor Kerry Downes, unfortunately in such a way that it is impossible to see in-side it. There are, fortunately, informative photographs of the interior of the model at the Whitechapel exhibition,

original disposition of the choir with the organ screen, but also the grand austerity of the furnishings and the simplicity of the altar, which the recent elaborate high altar and chandeliers have completely trans-

The Whitechapel exhibition does not attempt to show all of Wren's work. There are excellent slide shows that give a more impressionistic view of the tillation of genius.

buildings and a map to entice has provided just the right leve of information to make you want to explore the buildings.

The catalogue is to be highly recommended and it should be recorded that a generous The engraving of the choir of amount of private patronage the cathedral in 1706 during a has made this exhibition pos-Great Thanksgiving attended by sible, particularly the sponsor-the Queen shows not just the ship of the National Westminster bank whose own new building has given the City of London such a different skyline from that envisaged by Sir Christopher Wren. At a time when the capital city is on the verge of massive reconstruction along the Thames, Wren's ideals remind us of the true purposes of architecture - a reassertion of beauty and harmony Do not miss this skilful dis-

The Clash/Fair Deal

Antony Thorncroft

Here was a potential occa- nice record deal; an overseas archives — starving Vietnamese on. The Clash, one of the tour; mountains of publicity; babies, tanks, police "brutality," sion. The Clash, one of the least compromising of the new wave bands whose songs often wave bands whose songs often prefer to disappear — Holly-seemed designed to spark off wood fashion—rather than play a riot if not the revolution, for his fans. On stage, too, a sively into their old repertoire playing at the Fair Deal in Brix- lot of the fire had gone. There in a 100-minute set. But there ton; and on a bot night, too.

Would they play "Guns of Brixton," with lines like "When they kick at your front door, how you gonna come? With your hands on your head, Or on the trigger of your gun?" Yes, they did. Would the passions mount, the emotions get out of band, as The Clash tightened tha screw on the packed, sweatventional pop concert, with the respectable white audience quite bappy to settle for voyeurism.

Clash have gona conventional and even Stummer can were fawer acissor kicks in the were plugs for the new, more air and, although Stummer sophisticated, songs. "Should I started the act with a few lncoberent threats to the audi-

a result, this was as solid a

rock performance as you are

likely to see. The Clash have survived because they are good. They play well together, not attempting any guitar solo virtuosity but ing, crowd? Well, no actually throwing out a back beat which it was all a very restrained convenional pop concert, with the marionettes in the crowd.

etc., and not surprisingly falled to excite the audience.

The band began with "London calling" and dipped extenstay or should I go?" is a conventional rock love song and ence, be soon lost interest. As stood put from the weight of political commitment.

For the problem with The Clash is that their style quickly becomes predictable and their cheerless heavy material rapidly, depressea. With their un-doubted talent and Stummer's mesmeric presence, if The Clash; could get eway from the propa-ganda, most of which is of stagespectable white audience show now is rather decorously gering imbecility, their energy uite bappy to settle for old fashioned — brightly and passion could revive a coloured aearchlights, with career that is in danger of better the Clash at Brixton had slides flashed on to the screen coming self-parody. New drum-The Clash at Brixton had slides flashed on to the screen coming self-parody. New drumbeen delayed a conple of so that although the lyrics may mer Terry Chimes held the months while the band's singer be incomprebensible, the drift band together well and there and star, Joe Stummer, went of the songs is not. But most were glimpaes of a more missing. That said it all. A of the slides are from the generous future.

Sanskritik/Elizabeth Hall

Max Loppert

The series of recitals which spreads before London a feast of Indian dance and music reaches its twelfth successive year of existence under the currently extended umbrella of the Festival of India. It bas taken only this relatively short time for Sanskritik to have become one of the indispensable and indelible dates on the musical calendar—no less so for the audience member condemned to remain no more than s cultural tourist among the tantalising artistic riches of the Indian sub-continent. This annual series works its magic in the best way, welcoming the newcomers and the tourists and sstisfying the tastes of the cognoscenti—the artists pre-sented being of the highest calibre, there is no threat of the dilution of standards that has quite often been forced upon Indian artists on their sorties to the West.

Instead of the mixed medley of performers and short Items of past Sanskritik events—the

apés gathered on one rather close with the celebrated crowded dish—this yasr's virtuoso dance poised schedule offers in each programme a more substantial dis-play of a single artist or at most two or three. Last night's recital, the fourth of the series, belonged entirely to the dance; and while one might bave missed (and regretted missing) the contrasts of taste and abundance of diverse sensations produced by the old system, it was thrilling indeed to spend a whole evening with the most famous exponent of South Indian dance, Yamini Krishnamurti, supported by a quintet of vocalists, percussion and drone players and syllable chanters

scholarly article on Indian brilliant dance interludes.
dance in the New Grove Beyond her extraordinary,
Dictionary, is "the purest and purely physical, gifts Krishna-

deliciously on and around the edges of a brass plate. For the visitor, even for one wbo bas experienced a not too shamingly restricted amount and variety of Indian dance, there remains an inevitable sense of exclusion from direct comprehensive of the fine symbolic detail in the sculptured postures, the statuesque elevations, the somesculptured times alarming vivacity

That abiding frustration apart diminished—the pleasures of the occasion were numerous and irresistible. The Kuchipudi dance, more obviously sensuous and romantic, was displayed also Krishnamurti divided her in a long extract from what recital into two neat and seemed like an Andra Pradesh shapely halves. The first opera-comique, relating the belonged to the Bharata-natyam dance of the Tamils (which, Bhama before the Lord Krishna most antient dance style"), the murti is a charmer who catches spread of (as it were) instru-second to the Kuchipudi, bring- and keeps one in the palm of mental, vocal and dance can-ing the recital to a sensational her hand.

Don Juan/Central Park, New York

Frank Lipsius

"Don't believe all the stories characters ebb and flow like the unfortunate. you've heard, and stay in your sea, Had Foreman allowed the village," advises Don Juan to play to inject a bit of discipline off limits this production of the season. Don characters walk in slow circles a pathetically conscientious, round the stage while actors off balance and funny push and pull their sets with Sganarelle by Roy Brocksmith. them. Characters emerge and The disadvantage in the play's disappear in the great mass of transfer is presumably its faces that fill the stage, only to reproduction of a backdrop reappear when a curtain at the that looks like a wall conbackdrop is drawn.

paya stylish homage to Molière, lavishing the characters with flowing wigs and graceful ancien regime costumes. John Seitz as Don Juan could be another Lonis XIV in his prime, sasbaying across the stage like Mae West modelling in a Montreux jazz fashion show. Though the stage and costumes are all in black and white, fiamboyance makes up for any lack of colour while the scene where all the aristocratic characters remove their wigs makes a ghoulish spectacle in the best Foreman

. . .

tradition. The translation by Donald M. Frame has a rhythmic grace, good lines and some ear-catch-ing rhymes, but the director seems unwilling to be limited by distinct scenes that do any-thing more then blend into each other, as though the audience were a beach toward which the

ackdrop is drawn.

At the same time Foreman Central Park, Especially with one of the play's scenes set at the seaside, the fallure to use

than 30 jazz festivals in Europe with a total audience estimated at 400,000. Montreux in Switzerland claims to be the most eclectic of all festivals with its boundaries overflowing from jazz into Brazilian music, blues, rhythm and blues, reggae and rock. This year the festival runs from July 9 to 25 at tha Montreux Casino.

jazz names as Dizzy Gillespie and Dave Brubeck, the Jazz section includes the Chico and

village," advises Don Juan to play to inject a bit of discipline off limits this summer where its two comely damsels in Richard into his flowing direction, the luxurious lawn looks like an into his flowing direction, the luxurious lawn looks like an with the ultimate tasteless trest. Scope to display his single with the ultimate tasteless trest. Will they go on for ever? Perfectly afficionados will know what to character, be obviously does setting of Central Park. The setting of Central Park, The Signs of the production's varying from well-attended free like to take a chance and Italian From here his imaging the back to the fateful every signs of the production's varying from well-attended free like to take a chance and Italian From here his imaging the back to the fateful every signs of the production's varying from well-attended free like an with the ultimate tasteless trest. Scope to display his signs of the production and done better production and origins at the Guthrie Theatre concert versions of Metro-

Juan exhibits Foreman's in Minneapolis are especially politan Opera productions of make a block booking before the famillar tricks of having his evident in the actors, including Fidelio and Il Travatore and tourist season gets into full the Delacorte's natural back- skaters and walkers sport like drop of one of Central Park's members of some athletic lovely lakes is especially conspiracy.

This year there will be more Von Freeman group, Mose Alli-han 30 jazz festivals in Europe son. Lou Donaldson, Shim with a total audience estimated Gaillard, the Charles Lloyd

Apart from such well-known

The Sheep Meadow remains off limits this summer while its concerts by the New York Philharmonic, to skateboarding and volleyball on the great lawns. Wollman Rink, once the summer home of rock concerts, has been torn down and most of the music, apart with some very mixed from the anti-war demonstra- metaphors. Mellifinous saxotion in June, comes from the welcome but seemingly antisocial Walkmans that joggers,

quartet and the Jimmy Guiffre quartet.

Appearing in a Blues Mara-J. B. Hutto and the New Hawks, Luther Johnson Jr, Sugar Blue and Koko Taylor. Jimmy Cliff will represent reggae music and the Brazilian artists appearing include Milton Nascimento, Tiso and Alceu Wagner Valenca.

People Show 87/ICA

Rosalind Carne

After more than a decade of where in the southern bemi mind-bending entertainment, sphere. At least the cage gives the People Show have come up the acrobatic little fellow ample with the ultimate tasteless trest. scope to display his simian Will they go on for ever? proclivities. Perfectly in Afficionados will know what to character, be obviously does his restaurateurs are advised to swing. I ahould be intrigued to know what the average Soho maestro makes of this particular culinary nightmare.

From the opening moments the mood is bizarre, fantastical, phona from George Khan pours out of a jungle of tropical lianas; lights flash around a metal grid and what appear to be tables set for dinner. Enter Mark Long as the sinister, flatvolced proprietor of Bruiser's Restaurant. He is joined by Caroline Eutchinson, a new addition to the four man team. For so statuesque a figure, she has curiously little stage presence and though she looks well in ber leopard-skin cat auit, I fear she has yet to find her

Appearing in a Blues Mara-thon will be John Hammond, Emil Wolk (lucky girl), she recover, turns savage and ettacks the unpleasant Signor Marco. Neturally, her boygets the rap, and friend immediately finds bimself incarcerated in prison . . . some-

From here his imagination flies back to the fateful evening out, the limp lettuce, the dry hread rolls, the surly waiter. Or is the Imprisonment a dream? Who knows? Does it matter? What we see is the universal victim, splattered with sauceless spaghetti after a tentative request for halibut vindaloo. The show runs the gamut of paranola, but all ends bappily,

as boy and girl leap into each other's arms and on to a double bed draped in leopard skin. I enjoyed lt, in parts, mainly the active ones. The sonne track is rich and strange, but it seemed a waste to have only four live numbers from Mr Khan. He might as well be playing his instrument as sitting on the sidelines as a prison guard or crawling about in a gorilla costume. Nor was I satisfied with a single back flip from Emil, though ha and the other men make a splendid exit suffers a nasty bont of food dive through flaps in the brick poisoning, but manages to wall at the back. All the drifting through undergrowth is very pretty and Caroline makes a fina African Queen in silhouette. but the undifferentiated delivery, blunt and hardly modulated in recitetive and aris If only there bad been some bite to ber speech; excessive deadpan gets very flat alike, that turned this most

Bernadette Greevy/Wigmore Hall

Max Loppert

For some of the music in ber large repertory, personal taste

wobble or (except occasionally voice alone were sufficient to guarantee enlivening song recitals. Miss Greevy would belong to the elite of recitalists. But. as Saturday's recital reminded us, there is a whole interpretative area beyond vocal security, the master of which goes to make up the involving recitalist; and with that area, it seems, Miss Creevy has only the most distant familiarity. The mamory-slip in the opening Haydn Arianna a Naxos was of

ACROSS

ing from measles? (8)

a disturbance (8)

from home (7, 3)

coat of plaster (9)

the red (9)

to have followed (6)

DOWN

plunder the hiker's bag (8)

Clty (9)

(7)

(7)

(10)

jargon (6)

The voice of Ireland's leading beautifully dramatised cantata perfect in French diction as to mezzo-soprano is warm, strong, into little more than a "strong verge on the comic. In a final evenly placed and steady. Miss sing." Moeran's James Joyce group of Irish folk songs set by evenly placed and steady. Miss sing." Moeran's James Joyce Greevy sings in tune, ber style songs, which followed, desper- Harbert Hughes there was more of emission is simple and easy. etely need (though they bardly suggestion of inflection and Greevy sings in tune, ber style songs, which followed, desperrequite) strong singing, and might prefer a sharper edge of just about survive on such an that Miss Greevy's splendid definition to the timbre, but approach. But by the interval instrument is so unimaginathere is never any question of one felt a sore lack of artistry. tively used was all but un-

their texts-which, in the case in its own right-and so im- ingly unskilful.

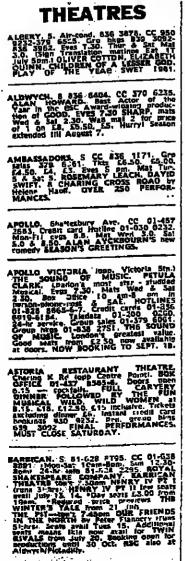
nuance than in anything heard the Brahms Gypsy Songs will earlier; but by that time regret That impression was not assuageable. The pianist was at the extreme ends of her wide improved thereafter by per-compass) spread. This is the formances of three Duparc singer every inch of the way in voice of a major singer; and if songs so uncomprehending of forthright unsubtlety and in bis commend of the climactic remolandos of Duparo's of L'Invitation au voyage," is rremolardos of Duparo's verse of the very bighest quality "Phidyle" really quite alarm-

Rank Xerox sponsors RSC Pit season

ing 200. The season opens on Rowley. June 10 with the premiere of Our Friends in the North by a kind that could beppen to anypeter Flannery and continues
pne; it was not that one minded, with four transfers from with four transfers from Stratford'a The Othar Place production of Ibsen'a A Doll's House, Money by Edward

Rank Xerox is sponsoring the Bulwer-Lytton, Twin Rivals by RSC's first season at The Pit, Farquhar and The Witch of its small Barbican thaatre seat-

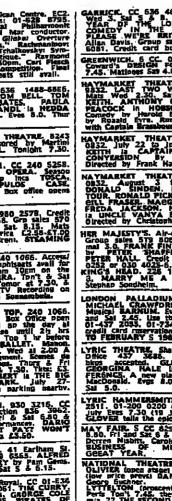
The Pit takes over from The Warehouse as the RSC's small London theatre. Like the Warehouse it will bave a policy of Adrian Noble's sward-winning presenting both new plays, and transfers from The Other Place in Stratford.



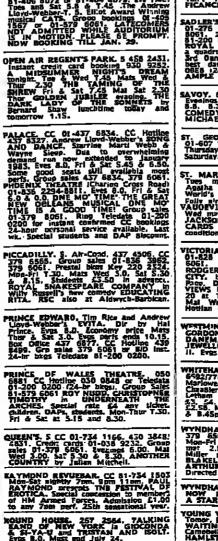
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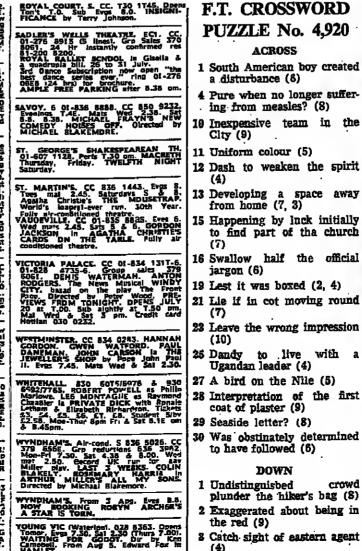
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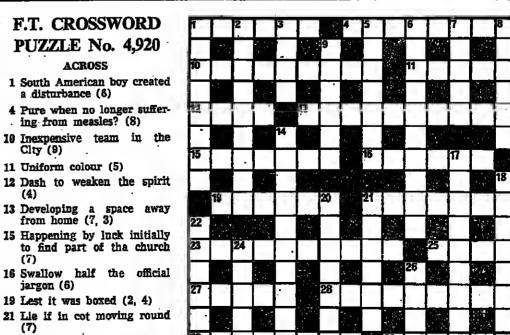
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5 Mark one hundredth piece 20 Certain in the finish to have 6 Startled having captured a 21 Father has glum expressions

footballer (5, 5) 7 Time to muse (5)

8 Artful to move by end of

9 Dock leader has various piles to drive away (6) crowd 14 Taking place from tima to time—at this table? (10) 2 Exaggerated about being in 17 Criminally behaving with

intent? (9) 3 Catch sight of eastern agent 18 Obligad having had a drink?

guaranteed (7) (6) 22 Spread the odds on a raw

24 In the hedgerow another tree (5) 28 Having no measurable quantity at freezing point (4)

beginner (6)

The solution to last Saturday's prize puzzle will be published with names of winners next

Saturday.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON ECAP 4BY Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Monday July 12 1982

Steel, quotas and free trade

another chapter in the 18-years- are unfair support of producold story of how to protect the U.S. steel industry. They are seeking to put the clock back to 1969-74 when European exports were restrained by quotas. If the negotiators do not succeed, anti-subsidy and anti-dumping actions brought by U.S. producers will remain in place; some European steelmakers will face the prospect of selling into the U.S. market only over the barrier of punative countervailing duties - 40 per cent in the case of British Steel. Such a level of duties is the equivalent of closing the market. Some form of quota agreement looks at first sight to be the easiest way out of an increasingly hitter dispute.

Damaging

But it is not the best way ut. It should be resisted. bargaining about Bilateral quotas will solve no hasic problems. To end this damaging bistory of dispute there has to be an international solution within the framework of international trading law defined in the General Agreement on Tariffs and Trade

In the first place, bargaining about an EEC sbare of the U.S. market will not make the U.S. industry more competitive. Indeed, in the longer run the threat to the U.S. steel industry is not from the EEC producers at all. It is from the newly industrialising countries which, over the next decade, will put Japan under pressure as well. The EEC, with its apparatus of protection firmly in place, faces the same threat.

It is the U.S. industry's lack Commitment of competitiveness, evident since 1960, that lies behind the unfair trading practices which the U.S. industry has been making spasmodically for nearly 20 years. A U.S.-EEC agreement would leave outstanding the issue of deciding precisely how to define unfair trading-in the series of cases now in question how to define an unfair subsidy. The Gatt code on subsidies is loosely drawn. U.S. the gap with definitions of convenience to the U.S. They need important to known to what market.

EUROPEAN and U.S. negoti-extent the subsidies received by, ators are settling down to write say, UK and French producers tion costs.

If a quota agreement reached then the U.S. producers will prohably drop their cases. But if they drop their cases then the EEC cannot proceed with its Gatt action, because there will be no grievance to adjudicate. So the U.S. producers need to maintain their complaint. The difficulty is that the very fact of their com-plaints has already caused market distortion.

There is little immediately that can he done about that. But it is necessary to freeze the dispute at minimum cost to those involved, while a Gatt panel is set up. This panel, of up to five neutral individuals, would hear both sides of the dispnte and, under subsidy code rules, report back within 60

days.
The immediate problem is wbat to do about the preliminary counter-vailing duties already in place — bonds have to he posted pending a final determination in mid-August of whether the duties remain and about the future of the duties if the preliminary decision is confirmed by the U.S. Government. The least unsatisfactory solution may lie in administrative action. U.S. lawyers note that there is flexibility in the way duties are paid — there is a time lag between the entry of goods and the time the duty is due. That time lag sbould be extended until the outcome of Gatt adjudication.

But the whole purpose of a Gatt adjudication would be lost if the governments concerned are not prepared to accept it when it is delivered. It would be helpful if they could make a commitment now. There is little alternative. The subsidies code is loose because negotiations in the 1970s were not able to reach precise con-clusions. Bilateral talks about the methodology of defining legislators have sought to fill subsidies between U.S. and European governments bave been inconclusive. A neutral to be rested by the Gatt dis- ruling seems the only way out pntes procedure. Equally, it is consistent with an open world

IDA's need for western support

THE WORLD'S poorer countries to India it would bave found are finding that the safety nets itself exceeding prudential on which they had long relied country limits. With the World on which they had long relied country limits. With the World bave begun to fray. World Bank Bank finding its bonds begin programmes are starting to be ning to saturate some inter-constrained by the body's capital national markets, it is not in a and financial position. The International Development Associa-tion, the World Bank's soft-loan window, has had to cut back its Reform disbursements by over a third hecause of foot dragging hy Washington. Last week saw one slight chink in the gloom when countries belonging to IDA persuaded the U.S. to start talks on what they would all contrihute for its next few years' activities.

For long the Cinderella of the World Bank group, IDA today finds itself fitting oddly with current trends in Washington. Its sources of finance are rich countries' contributions rather than market bonds, setting it apart from the World Bank and the International Finance Corporation. Its terms too are remarkable — 50-year credits with a 10-year grace period and an annual charge of a mere 0.75 per cent. Equally its emphasis on the long-term problems of the poorest, in particular agricul-ture, makes it hard for IDA to adapt the policies of co-finance with the private sector which Mr Tom Clausen, the head of the World Bank, has been advocat-

Valuable

is to be hoped that this development will be corrected. Firstly. countries including South Korea 1DA has proved valuable in itself. Last year its net transfers to the developing countries were as great as those for the World Bank. It has financed over 10 per cent of the balance of payments deficits of the lower in-come countries, which have poor access to capital markets. It has belped boost agricultural production in South Asia—though, as it admits, been less successful in Africa. It has acted as a stimulus for other investments. Secondly, by its activities IDA has helped the World Bank keep its high credit rating. IDA has taken on loans to the poorest countries which could have weakened the World Bank's standing in international capital markets. It bas also been able to tion, a high proportion of its advances; if the World Bank alone bad tried to be equitable give India, with its vast popula-

position to take over what IDA has been doing.

Finally, a bealthy IDA is needed if the world is to meet the development demands of an increasingly importunate China. By 1985 China may be claiming eligibility for up to \$2hn aid per year. By tradi-tional IDA criteria it should bave a loan hlend with less IDA and more World Bank funds than India: average income in China is considerably higher, less of its people live in absolute poverty, and it has low external debt. But, if IDA is to help China without cutting back its other activities, it will require a real increase in pledges over the levels provided from July, 1980, to June, 1983.

This is not to say that there is not room for reform at IDA. Its projects have sometimes suffered from inadequate local management and from a lack of follow-through. It has shown insensitivity to local realities, particularly in Africa where most of its few failures have been its few realities. been. Its terms need reviewing. For these reasons alone it is more for funds than Chad and hardly surprising that IDA has suffered at the hands of the richer countries receiving Reagan Administration. But it IDA funds should probably Bangladesh. Several of the richer countries receiving IDA funds should probably "graduate" out, as have 26

and Turkey.

Importance But one of Mr Clausen's early decisions was to order a thorough review of such issues. The review, the first in IDA's 22 years, is to be published at the time of the annual meetings of the World Bank and IMF in September. It is evidence that IDA is showing a welcome concern about the expectations of its major donors. In return, the U.S. should renounce its attempts to cut back its contributions by spreading them more thinly over a longer period than pledged. And, as other sources of comfort for the developing world are hard to find, it is ever more important that IDA should

THE U.S. banking industry

is now having to adjust to its second costly surprise in as many months. Only eight weeks after Drysdale Government Securities delivered a \$300m swipe at three large New York banks, an equally small and obscure financial institution. Penn Square Bank of Oklahoma, last week dealt a serious blow to several more banks around the country. The full scale of its losses is not yet clear, but they could be

just as hig, if not more so. Wall Street reacted with the kind of short burst of frenzy that bas become all too familiar in these turbulent times. Share prices fell, led hy major bank stocks, which were driven by heavy selling to 52-week lows in many cases. Some went even lower, amid stock market rumours of more collapses. Since Drysdale a few major bank stocks have lost about a third of their value.

By the end of the week the Federal Reserve bad calmed things down again by feeding reserves to the anxious capital markets just as it did after tha Drysdale affair. Indeed, in retrospect, the market'a reaction may well look exaggerated; things are not as bad as they were during the last bank crisis in the mid-1970s.

But nasty surprises like these inevitably touch on fears about the soundness of the banking system. Cooler beads argue that the basic structures are still strong and profitable. Yet it is hard to ignore incidents in which two small concerns which few people had ever heard of could wipe out an entire quarter's worth of earnings at three of America's largest banks — Chase, Continental Illinois, and Seafirst of

Seattle. Only last March, Moody's, a leading New York credit rating agency, stripped all but J. P. Morgan of the top ten or so U.S. banks of their prized Triple status because of the deterioration of key measures of their financial strength. These include their assets to equity and loan loss ratios. Some analysts thought this

was an overreaction and Standard and Poors, the other rating agency, did not follow suit. But these doubts are added to the beavy toll of bankruptcles caused by the recession, high interest rates and the problems of large international borrowers like Poland and Argentina, it is easy to see why people are worried. So far this year, 16 commer-cial banks have failed, and the

Federal Deposit Insurance Corporation which regulates the banking industry currently has 269 banks on its problem list. This certaincy does not mean they will all fail, but it does reflect identified weaknesses in their balance sheets. THE FDIC won't say bow

many of these are savings and loan banks which have special troubles to contend with, but the number compares with 217 in 1980, the lowest figure for five

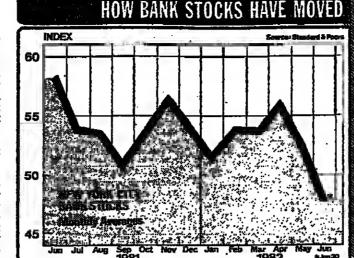
years.

Much of the increase stems directly from the barsh economic climate of the U.S. in

U.S COMMERCIAL BANKS

A second nasty surprise

By David Lascelles in New York



● Interest Rates: the volatility and high cost of money have

greatly complicated the funding

task of U.S. hanks whose supply of cheap deposits is dwindling. Banks have been able to protect

rheir "spreads" by keeping up the prime rate in the face of strong business loan demand.

But those who make mistakes

pay dearly. Drysdale came to grief because it played the in-

terest rate game and lost, leav-

ing debts of \$300m which had

to be picked np by Chase, Manufacturers Hanover and U.S.

Trust, Fears of more Penn

Squares have, not surprisingly,

made it harder for some smaller

banks to raise funds in the

• Energy Lending: described

by one banking analysts as " the

REIT of the 1980's," this is

where more shocks could still

come. Real Estate Investment

Trusts brought huge losses to

over-eager banks who financed

the ill-starred 1970s property

boom. Similarly, banks rushed

to cash in on the U.S. energy

exploration boom in the wake

of the rise in the oil price over

the past three years only to he

faced with mounting bankrupt-

cies as the price fell back again.

BankAmerica (San Francisco) Citicorp (New York) Chase Manhattan (New York)

Continental Illinois (Chicago)

Security Pacific (Los Angeles)

Mellon National (Pittsburgh)

16 Irving Bank (New York) 17 InterFirst (Dallas)

First National Boston

eps = earnings per share

Wells Fargo (San Francisco)
Crocker National (San Francisco)
Marine Midland Banks (Buffalo)

Northwest Bancorp, (Minneapolis) First Bank System (Minneapolis)

10 First Chicago

Chemical New York (New York)

First Interstate Bancorp. (Los Angeles) nkers Trust New York

Manufacturers Hanover (New York) Morgan (J. P.) (New York)

money markets.

to Penn Square and the banks

who participated in its loans — about \$2bn worth.

Real Estate and Housing:

high interest rates have brought

widespread failures here as

well. But the banks' problems

stem more from the U.S. system of fixed rate mortgages

whose yields have fallen far

behind funding costs. Dozens of savings banks bave falled,

forcing a shift towards European-style flexible rate

mortgages. Bank regulators have warned that the shake-out in the housing finance industry

Business Failures: There were more hankruptcies in the

first balf of this year than in

the whole of 1980. Some were

big, like Braniff International.

But the small ones bave taken

their toll as well. Bank of

America, the largest U.S. bank,

\$1.6bn, mainly because of the

46,972

32,939 23,219

18,682 18,448

18,227

17,318 16,809 15,141 14,911

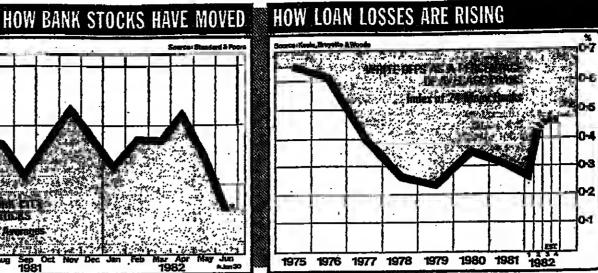
TOP TWENTY U.S. BANKS

32,876

22,939 17,970

10,987 10,108

is far from over.



to Keefe, Bruyette and Woods,

had as it was in 1975. • Farming: The slump world commodity prices has nut IIS farmers in a severe financial squeeze and led to a sharp increase in farming debt — and bankruptcies. U.S. farmers currently owe \$10 for every dollar they earn, five times more than normal.

a Wall Street investment firm that specialises in bank stocks.

However, the situation is not as

Aggravating many of these problems is the constraint of U.S. bank regulation which is widely considered - inside and outside the industry - to be harming the domestic competttiveness and profitability of U.S.

Banks still cannot compete freely in the market place for the savers' dollar hecause banking regulations passed many revealed in the spring that its decades ago limit the amount had loans tripled last year to of interest they may pay on decades ago limit the amount deposits. Instead they have to \$1.5m, mainly because of the plight of small borrowers. Mr Leland Prussia, the chairman, told the annual meeting in May that "The emergence of more problem credits will come as no surprise in 1982." The ratio of loan losses to total loans at 24 major U.S. banks has doubled since 1979, according "supermarkets" like American.

1981 \$m . 445.4 555.0 443.9 256.5 374.5

260.3

Express-Shearson who perform highly profitable banking-type services completely free from bank regulation.

On the international side there is little to cheer the spirit either. While U.S. banks may be less exposed than European banks to Poland and East Europe, they are highly vulnerable to that other trouble spot: Latin America. According to the Federal Reserve, U.S. banks bad about \$8bn out to Argen-tina—the worst case—at the end of last year, of which more than half was concentrated at only nine banks. Concern bas also been expressed about Mexico, which looms large on U.S. bank books, and which is essentially another problem energy loan, only much bigger.

But while the hanks can partly claim to be the victims circumstances, they have brought a good part of their problems upon themselves. Intense competition has un-doubtedly encouraged them to reach ever further each year for growth and profits, and that has not been achieved without

When Moody's cut its ratings revolution which is creating in March, it did so largely "supermarkets" like American because of the sharp rise in

Performance

average.

255ets 1981 0.39 0.48 0.55 0.46 0.72

0.53 0.40

bank "leverage," nr "gearing." the extent to which a bank gears up its equity. Whereas every dollar of equity supported \$11 of assets at major banks in 1960, It was \$28 by last year, a two and a-half-fold increase No one is suggesting that this means banks are near breaking point because there are other considerations like greater considerations and improved technology. But Moody's was pointing up a concern already voiced by people in high places.

Mr Paul Volcker, the chairman of the Federal Reserve Board, told bankers at their annual convention last autumn that " in all candour I am uneasy about the slippage in one key measure of banking easy about the slippage in one key measure of banking strength—the capital position of some of our large banking institutions over much of the post-war period." He said the Fed would be watching the position closely, and he ursed banks to correct this weakness. But the alumn in the country But the alump in the equity market has mada it virtually impossible for banks to attract new investment at the right

The quality of U.S. bankers' controls has also come into question. After it was dis-covered that Chase had ad-vanced \$2bn worth of securities to Drysdale, which many banks refused to deal with at all, Mr Anthony Solomon, President of the New York Fed, told Congress that he thought Chase and the other affected banks should have supervised their operations better.

Drysdale, he sald, was operat-ing "on a scale out of all proportion to its capital." suggestion that hanks should have known, has also been levelled at those involved in the Penn Square failure. The Comptroller of the Currency Identified Penn Square as a problem bank as long as two years ago and bad it under close scrutiny. Yat a maojr bank, like Continental Illinois of Chicago, did buge amounts of business with It and has now lost an estimated \$150m.

Only three days before Penn Square went under, financial institutions were still placing money with it, even though it was offering suspiciously high rates of interest. Large institutional depositors alone will lose more at Penn Square than in any previous U.S. bank failure—about \$190m.

In Continental's case, the Chicago-based bank was keen to expand its energy lending may have trusted too much to its correspondent relationship with Penn Square and did not always scrutinise loans too carefully itself. The calamity of banking relationships.

A measure of how banks are faring will come in the next few days when they report their half-year results. Some, we al-ready know, will be chronicling a sorry tale of losses, like Chase, Continental and Seafirst. the largest bank in Seattle. But others should show modest-tostrong profit gains. For all their troubles most banks are still keeping ahead.

Men & Matters

Brass rubbings

All change at the top of the Ministry of Defence this yearso much so that the uninitiated might think the top hrass who ran the Falklands campaign had incurred the displeasure of their political hosses. Not so. In the jargon so heloved of the MoD's bureau-

crats, CDS, CGS, CAS and CNS (alias First), not to mention PUS, are all going simply hecruse they have served their allotted time. To you and me, that means the Chief of Defance Staff and the Army, Air Force and Navy chiefs, as well as the MoD's Permanent Secretary, are all departing within a few months

of each other. It may be bad planning, but it is not, I am essured, anything worse. The appointment of General Sir Edwin Bramail to replace Admiral Sir Terence Lewin as CDS has already heen an-nounced. So have the names of the new Chief of General Staff, General Sir John Stanier, and the new Chief of the Air Staff, Air Chief Marshal Sir Keith Williamson. He takes over from

None of these changes caused much surprise or occasioned much struggle. The career structure and selection process in each of the three services is tough and tight.

"You've only got a one-in-20 chance of getting the top job when you get a two-star appoint-ment, aged 50," comments a former brass hat. "When it finally comes to the top job, each service really has only two starters-and that's only in case one gets run over by a bus, succumbs to a coronary, or goes to bed with a bishop."

Nobody is suggesting that anything improper has held up the appointment of the new

in-Chief Fleet, who was in day to-day charge of the Faiklands to co-operate may check out of force from his hunker at the hotel."

Carrian's lucky number? Since the Chinese characters for nine and eight commote

Admiral Sir James Eberle, C-in-C Home Command, his main rival, is said not to have been as solid on Trident as Mrs Thatcher might have wished; while he may he a little too outspoken and ready to waive some of the more ingrained estab-lishment traditions for the liking of his raval peers.

Which leaves the enigmatic which reaves the enignatic Sir Frank Cooper, the powerful civilian head of the MoD. The betting favours an outsider as his successor, possibly from 10 Downing Street or the Treasury. But not, perhaps, until the

Shoot out

The FT's man in heleaguered Beirut was on tha telephone to the office from his hotel on Friday when he was rudely interrupted. Armed men had started careering around the hotel garden in a jeep loosing off machine gun bullets and grenades at random. Sir Michael Beetham in Octo-

Our man wisely kept his bead down and carried on with his story. But a group of French cameramen, whose contempt for their own safaty, be says, almost matches that of their govern-ment for the laws of economics, ran up to the roof to record the scene for posterity.

This so infuriated the crew of the jeep that they promptly turned their fire on to the botel itself. Now, in as much as there are any rules of warfare in West Beirut, this behaviour breaks them. Shortly afterwards

indignant botel management posted this notice in its foyer: In case of shooting around the hotel, the management insists that neither TV cameramen nor photographers attempt to take pictures. This endangers First Sea Lord. It is strongly nor photographers attempt to rumoured that the job has been given, in fact, to Admiral Sir not only their lives but those John Fieldhouse, Commander of the guests and staff.

Lucky numbers

Hard-headed Hongkong Land Company managing director Trevor Bedford made an appearance in these columns last week praising the good fung shui of the new Exchange Square development which will include development which will include will show, amounts to figures the new unified Hong Kong of none other than HK\$998m. Stock Exchange.

Fung shui—wind and water— is a divining method which tells you whether your new building is conveniently situated from the viewpoint of spirits impabiting the neighbouring landscape. Bad luck to locate your front door on the eyeball of a dragon. asleep in the earth beneath.

But I cannot help wondering whether some of Bedford's en-thusiasm for such divingtion may bave rubbed off from George Tan, charismatic and highly superstitious boss of Carrian Investments.
Everybody in Hong Kong has a story to tell about George Tan

and his eccentricities. Bankers working on projects involving Carrian bave bad the fung shui of their offices examined, and heen advised to move desks lest canteen bas long, bare tables evil spirits slip through the and benches, with salt and pepdoor unobserved.
And one element of the recent Carrian-Land joint-

venture set a small bell ringing somewhere down the halls of nemory. The price of the assets injected into it was fixed at enjoys a similar status, but HK3998m. The result of hair-senior supervisors have a car-splitting bargaining? Or the peted floor and waitress service. desire not to see the term "billion dollar deal" bandied too freely around?

the purchase of an office block our executives just cannot get called Gammon House, again from Hongkong Land. Closer always have a carpet under examination of the "billion their feet," says one man from dollar" price tag attached to tha shop floor. that transaction reveals the actnal sum to have been

longevity and prosperity respectively, the implied aspiration seems comprehensible enough.

And what is more, sharebolders bave a chance to parti-cipate. For the long arm of coincidence extends even as far as Carrian's anthorised share capital which as a glance through the last annual report

Table manners

Radical social changes are under way at BL's Cowley car plant in Oxford. The hierarchial canteen structure is being swept away in a move that should bring workers and bosses together for lunch, at least.
Shop stewards' joy is tempered a little by the fact that
Sir Michael Edwardes's management has been prompted by ideas of economy rather than egalitarianism. But anything that gets rid of the present caste system must be rated as

Social distinctions until now bave been carefully drawn. Insiders report that the workers' per pots shared by up to 20 diners. Foremen have

square tables, each furnished

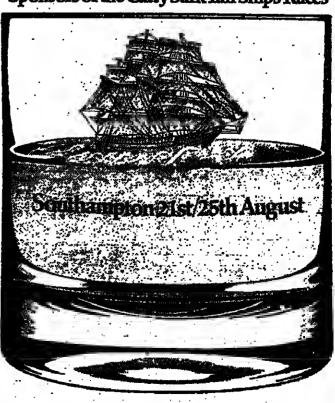
with a (perspex) jug of water.

The commercial staff canteen There is much amused speculation about the standards to be set in the new all-in dining Maybe, except that the deal which brought Carrian into prominence back in 1980 was

Observer

Cutty Sark Scotch Whisky

Sponsors of the Cutty Sark Tall Ships Races



Quality without compromise.



WORLD PETROCHEMICAL MARKET

The problems that won't go away

By Sue Cameron

THE WORLD'S largest petrochemical companies are now grappling with the simultaneous problems of chronic overcapacity, weak prices and reduced demand that are affecting so much of the world market.

Last month BP (£194m of chemical losses in 1981) and ICI (£54m of petrochemicals and plestics losses last year) became the first of the majors to admit defeat when they announced a joint programme of rationalisation and plant

But they are by no means the only large chemical concerns whose profits are under threat.

Shell's chemical operations erial lost £20m on a historic cost site. basis and £69m in terms of replacement cost. BASF lost DM 190m on plastics last year, Exxon's world-wide chemicals earnings fell 33 per cent-because of "lower demand for petrochemicals" — and Dow chemical group's net income dropped by almost 30 per cent.

All these companies are among the world's top 20 biggest chemical groups. All tell the same story and all give much the same reasons, BASF reports that volume eales of its commodity plastics fell by e further 10 per cent in the first three months of this year. Shell and the Union Carbide—whose operating profit on chemicals and plastics fell 34 per cent last year-both talk of depressed market conditions and worry about the planned entry into the business of new producers in oil-and-gas rich countries such as Canada and Saudi-

But few can hope to do restructuring deals as neat as that between the two UK-based giants, which involves BP Chemicals swapping its PVC plastic business for ICI'e British low density polyethylene plastic operation. PVC is mainly used in the construction industry in pipes and other items while the biggest outlet for polyethylene is in packaging film.

Virtually all the big West European producers have highly integrated petrochemical and plastics production complexes which means that what comes from one plant is used as a feedstock to make the next matcrial down the chain. The closure of one plant can mean cutting off supplies of raw matWESTERN EUROPE'S 10 DIGGEST LOW DERSITY POLYETHYLERE COMPANIES

	Estimated % share of European sales	Actual capacity	% share of production
BASP*	10	800,000	14.5
CdF Chimie	9.5	445,000	8.3
Esso	9.5 ·	465,000	8.4
BP Chemicals	7.5	290,000	5,25
DSM	7.5	400,000	7.25
Enoxy	43	510,000	9.2
Shell .	6	na.	ηž
Ato Chimie	6	350,000	6.35
Erdolchemie	5.5	300,000	5.45
Montedison	4.5	460,000	8.3

style swaps. Some point out

that the three are fiercely com-petitive and that vrtually the

only thing which unites them is

their fear of the German cartel

Others note that their great

Ludwigshaven, Leverkusen and

Frankfurt are linked by ethylene pipelines so that,

Some industry experts argue

the ethylene pipeline grid, then the threa companies could

shut down et least one "standby" ethylene production

Another German company

worth watching in the present climate is Erdolchemie, a joint

venture between Beyer and BP

that is sited et Cologne. For

Meanwhile there are question-

which were not included in tha deal with BP. The group has 100,000 tonnes of LDPE capacity

at Fos in France and a further

40,000 tonnes at Rosenburg in

the Netherlands—although balf the letter is carmarked for

closure at the end of this year. One possibility being strongly

unit between them.

50 per cent stake,

complexes

A further complication is The chemical industry at large has mixed views as to whether terms of both technology and market position can vary widely German companies, Hoechst and Bayer, will go in for ICI/BP

at different points in the production chain. The industry's options are also constrained by EEC competition laws. Portfolio swaps across national boundaries are unlikely because the potential

legal complications are fear-Yet there will have to be further closures — and perhaps swap deals — if the West European petrochemical industry is

to stand any chance of returning to economic health.

This is not to deny that some progress has elready been made.

Mr Stuart Walmsley, a senior analyst with W Greenwell the analyst with W. Greenwell, the London stockbrnkers, is running a study on Western Europe's overcapacity and on the measures being taken to combat His latest updated figures

- in the table on ethylene capacity - gave a good indication of what has been achieved so far in terms of closures in the most basic of the petrochemicals. It also illustrates what still needs to be done. Among the worst product areas are polyethylene and PVC

—the very meterials involved in the BP/ICI swap. Further the BP/ICI swap.

But which companies ere most likely to shut—or swap—what? BASF, which has already cut its total polyethylene capacity by 20 per cent, is planning to re-duce whet is left by a forther 15 per cent, for example. The German giant is also taking a long hard look at its pvc canvassed is a swap between ICI business although it has not yet and the Dntch-based DSM.

ortugal

DSM is already planning to evamp its 180,000 tonnes a year PVC plant in the Netherlands so that its capacity will go up to 225,000 tonnes. Might the company also he thinking of swap-ping it for ICI's remaining LDPE unit at Rosenburg? Such a deal would not be nearly as neat as that between ICI and BP

There has already been one timid — move towards the rationalisation of PVC producethylene pipelines, so that, tion in the Netherlands, involv-theoretically at least, there is ing Shell and the Dutch-based scope for some ethylene plant. Akzo. Earlier this year the two put their Dutch PVC and PVC raw material plants into a 50-50 that if a tighter agreement could be reached on the use of long co-operated on PVC pro-

> Sbell announced the deal with e self-congratulatory flourish. But the rest of the industry break into loud applause. As one analyst remarked at the time: "It's hard to see what the point of It is-unless Shell and Akzo now start closing soma of the

months now there has been start strong speculation that BP plants."
would like to pull out of the So faventure or at least reduce its Shell h So far they have not. But Shell has suddenly become uncharacteristically coy about discussing its European petromarks over the future of ICI's chemicals business, Last month continental LDPE operations— it said it would be "inappropriate" to talk about its views on the industry. Two weeks later came the news that it was preparing to shnt down 270,000 tonnes of petrochemicals and plastics capacity at its Carring-ton complex in the UK.

capacity

525

Netherlands. Peraps it is now stiffening the sinews for further cuts on the continent. The were many senior chemical company executives would most like to see largescale closures is Italy.

EUROPEAN ETHYLENE CAPACITY

'000 ton/year

3,000 4,550 20

in the UK—it would be unequal and cash would have to be involved. But it seems a table above shows, the Italians from Brussels.

have actually closed down a M Jacques Solvay, head of the have actually closed down a higher proportion of their ethylene capecity than either the French or the Germans. And the Italian Government has come up with proposals for an extensive restructuring of the chemicals

> Last year ENI, the Italian state energy group, set up a 50/50 joint venture called Enoxy with the U.S.-based Occidental. Enoxy took over chemical and plastic plants that had formerly been controlled by Anic, ENI's chemicals subsidiary, and by SIR, a defunct private sector group. the plants were cut by some 25

> The plan now is that many of the petrochemical plants owned by Montedison—losses last year L598bn and no dividend paid since 1974-should be transferred to Enoxy and to Anic. Negotietions over the transfer bave been dragging on for months. Montedison is said to be asking too high a price for its loss-making plants and Enoxy is clearly being pressured into taking on some capacity that It does not really want-at any price.

et Pernis in the trade union leaders and with hastily.

other parties involved in the planned transfer of plants from

The other European country where considerable reorganisation is being planned is France. The industry is being re-grouped round three Statecompanies: Elf-Acquitaine, the oil major; Rhone-Poulenc, the biggest of the French chemical companies; and CdF Chimie, the lossmaking (FFr 1.2bn last year), subsidiary of the nationalised Charbonnages de France coal

Despite the planned regrouping, there are some who fear that the French could be an even bigger millstone round the ck of European chemicals rationalisation than the Italians. Certainly plant closures and, more important, job losses will not be relished by a Socialist Government.

cale closures is Italy.

Perhaps this is why some
Italian governments, it is officials at the French Ministry pared to buy jobs and votes with subsidies to loss-making chemical concerns. Yet as the table above shows the Italian

Belgian-based Solvay company, which went into the red to the tune of BFr 995m in the first half of last year, is also known to favour intervention by the EEC in some form. But criticis claim this is because he hopes a European solution would have a less draconian effecto n the Solvay group than a continuing wer of ettrition in the marketplace.

The Europeen Commission has now started to study the whole question of overcapacity in petrochemicals and plastics and a statement is expected later in the year. Officials bave begun preparing a paper detailing the amount of surplus capacity. When this has been completed Commissioners including those for industry and competition-are expected to hold talks with leading figures in the industry.

But observers do not expect the commission to produce a master plan for closures and portfolio exchanges. Whet It may do is to offer advice and suggestions on some of the legal aspects of rationalisation.

the dollar and a rise in U.S. inflation out of all proportion to the recorded rise in the domestic money supply. In Overcapacity in West European petrochemicals and plastics is evidently one area where even supra-national 1980-82 there has been a run into the dollar and a collapse ton complex in the UK.

But Enoxy has just begun plastics is evidently one area into the dollar and a collapse of inflation out of all proportion tonnes of ethiclene be crucial talks with Italian bureaucrats fear to tread too

By Samuel Brittan In a nutshell, American I MUST report a day dream I had about the Federal Reserve monetarism is too parochial. Board. It consisted of the The requirement is for an following sentences from an international objective which imaginary newspaper article.
"After outlining the immediate takes into account the intermationalisation of the world's measures being taken to deal

Lombard

A new policy

for the Fed

with the problems of particular

banks, the Fed spokesman

announced e change in mone-

"In fixing its short-term movetary growth objectives, the

Fed now intends to take into

account the oversees as well as

dollars. A apokesman explained that when the dollar was par-

ticularly strong against other

currencies, the money supply target would he increased; when it was weak, the target

Behind this dream was the

thought that American financial

crisis is dua not only to

hut to the fact that U.S. mone-

tary policy is in Seme sense too

tight and American real interest

rates too high. But simply to abandon er to relax domestic

monetary targets could easily

rekindle inflationary expecta-

tions and thus not provide a

worthwhile stimulus to husiness.

A change of course has to be

reasoned, non-panicky and con-

sistent with a long-term counter-inflation strategy if it is

Any chart of monetary growth in different countries

shows that the Fed has been

incomparably more successful

than other central banks in keeping the growth of its

(cash plus checkable deposits)

hoth stable and within the

instability has come from

portfolio demand for the main

currencies of the world. Both

at the time of collapse of

Bretton Woods in 1971-72 and

in 1977-78 there was a run on

international

chosen target variable,

cbosen targe range.

fluctuations in

to carry conviction,

Successful

would he reduced."

the domestic demand

tary policy.

finencial systems end the competition of the main international currencies for the support of depositors. Professor Ronald McKinnon of Stanford University has suggested a combined money supply target for the U.S., Germany and Jepan and a simple framework for achieving it. Other countries could be added without upsetting the main principle.

These proposals have met with a great deal of public silence. This is partly because the international aspects of the plan cut across one set of prejudices and the monetarist aspects cut across another: in addition, the rules and formulae, however simple, irritate pragmatic central bankers officials. A more ganulue difficulty is that the system would take time to negotiate and

That is why I had my day-dream of unilatersl action by the Fed. If we had a McKinnon International monetary rule, the growth of the U.S. money supply during most of the last two years would have been above the domestic target to compensate for the below-normal growth in Germeny and Japan. (The latter has been in part a direct effect of intervention to support the mark and yen against the dollar.) Thus, the Fed can ect as if a new international monetary order were in existence, without waiting for the system to be formally established. The exact adjustments would be rough and ready, but much better than nothing.

Contrary to what cynics suppose, the reasons for a policy (change and public beliefs about the policy regime in operation are every bit as important es the change itself. A mere pragmatic relaxation, whether of U.S. monetery policy or UK fiscal policy, might turn out

Letters to the Editor

Review of policy on tourism

From Mr Conal R. Gregory Sir,—The Government's Inten- cent of its building cost against tion to held a comprehensive review of tourism policy is very much to be welcomed. For too long it has been given inade-quate attention and treated as e candiefioss industry. It is essential to realise that one person's leisure is another person's job.

Since 90 per cent of tourism in this country is domestic, there is a case for parity of treatment. While domestic tourists pey VAT on their holidays, there is no such levy on foreign package tours. Furthermore, a new industrial development attracts an initial capital tax allowance of 75 per cent, but a new hotel project

The structure of taxation does not allow many private individuals end companies to invest in new projects and offset these allowances against their taxable profits. Despite the recession, the Abschreibungs-gesellschaft (syndication process) bas brought several hotel developments to fruition in West Germany, as well as in the U.S. The Government bas rightly provided an incentive for equity investors in new companies but this is presently limited to £20,000.

While Ministerial responsibility for tourism remains with the Department of Trade, there is the need to establish

is permitted to offset only 20 per a consultative inter-Departmental body (to include Trade, the Treasury, Home Office, Environment and Transport).

the environmental eeedcorn.

the British Airports Authority

should have seen fit to allege

in Strasbourg last week that the

Commission proposes to abolish

the course of a recent meeting in Brussels and I can only

regard such remarks as scare-

Commission action has been

limited to reminding member states of their obligation to

charge travellers within the

We have given these assurances to the European

sion replies to a written question from Mr H. J. Steeler

on June 14 and to an oral

question from Miss Gloria

Hooper on June 15.

Beating the poverty gap From Mr Chris Pond Sir,—As the House of Com-

mons considers the final stages of the Finance Bill, there is un-This would co-ordinete Govern-ment activity and establish e parties ebout bow to tackle the growing problem of the poverty trap. Recent official estimetes, submitted in evidence to the Treasury and Civil Service Select Committee, show that the number of families caught in the poverty trap bas almost doubled since 1979. Meanwhile, nine out of every 10 families considered poor enough to re-ceive Family Income Supple-ment are now required to pay all or part of it hack in income tax. However, the costs of overcoming the poverty trap are substantial. Merely to lift 1m of the lowest paid out of tax would cost £2.7bn; to re-introduce a reduced rate of tax of 25 per cent on the first £2,000 taxable income would cost eppointed that the chairman of

ment could only fulfil its pro-mise to deal with the problem by abandoning its PSBR target or raising marginal tax rates. Your leading article on tax reform (July 9) suggesting con-trol of reliefs and exemptions, is therefore timely. A broaden ing of the tax base could yield the revenue necessary to overcome problems such es the poverty trap without increasing marginal tax rates, which (rightly or wrongly) are associated with disincentive effects. Community the EEC duties and It would re agricultural levies on non-Community goods sold in tax-free Making " It would remove many of the

Making "e bonfire of exempshops in order to conform with tions" would indeed allow a the European Court's "butter- substantial saving of revenue ships" judgment. Apart from although a careful examination this, the Commission has no of the merits of each, subject plans to take action on duty-free to democratic discussion, migbs be a politically more practical epproach. The first step should he for the Treasury to develop Parliament, notably in Commisthe type operating in the U.S. and some other countries. This would go beyond the present listing of the estimated costs of the exemptions in the Public Expenditure White Papers. The May I repeat here my reply aim would be to integrate the to Miss Hooper: "... we certainly do not wish to go any all system of public expenditure further than we have done . . planning and control. Tax ex-the overwhelming bulk of sales penditures should be ellocated planning and control. Tax ex-In duty-free shops, goods of community origin, are quite budgets alongside their cash exunaffected by this (Court) judgment... I only wish that the operators of duty-free shops, and the people who run the air-and the proper and the

ports, and the ports and the ferries, would stop spreading to control public spending, realarm and despondency." (Verduce tax rates and tackle the batim report of proceedings of poverty trap, such an epproach the European Parliament June should be attractive. Chris Pond. Director, Low Pay Unit. 9, Poland Street, W1.

The Ebic banks bring strength and experience to your financial operations

More than two decades have passed since the Ebic banks started co-operating in order to offer the most innovative and dynamic services to their customers. Their expertise has helped businesses - both large and small - importers, exporters. European companies, international organisations, states and governments.

Today, there are practically no financial problems that they cannot solve through their inter-bank co-operation, their international networks, or their common investments. Problems as diversified as business loans in Bangkok, financing exports to Abu Dhabi, construction loans for new plant in Africa, financing of offshore exploration in South America, agricultural investments in Australia or euroloans to the People's Republic of

And there's a whole range of other services including foreign exchange risk coverage, eurocurrency issues, project financing, mergers and acquisitions, and many others.

Specially created by the Ebic banks are a number of common















investments. In Europe, for instance, there's Banque Européenne de Crédit (BEC) in Brussels and European Banking Company (EBC) in London both offering specialised financial services throughout the world. In the States, it's European American Bancorp (EAB) with subsidiaries in New York and their affiliates and branches in Bermuda, Cayman Islands, Chicago, Los Angeles, Luxem-bourg, Miami, Nassau (Bahamas), San Francisco and Panama. Then there's European Asian Bank (Eurasbank). Headquartered in Hamburg, it has branches in Bangkok, Bombay, Colombo, Hong Kong, Jakarta, Karachi, Kuala Lumpur, Manila, Seoul, Singapore and Taipei. The Ebic banks also have important participations in European Arab Bank in Brussels, Cairo, Frankfurt, London and Manama, and the majority of them in Euro-Pacific Finance Corporation in Brisbane, Melbourne and Sydney.

If you'd like to take advantage of our financial strength and experience and would like further details, then just send your business card, marked "information on Ebic," to the Ebic Secretariat, 61 avenue Louise, B-1050 Brussels.



Europe's most experienced banking group

Look forwards not backwards

Ris

٠.

From Mr George Renshaw Sir,-That SSAP 18 is on its way out is almost a foregone conclusion. Whether its demise occurs July 29 1982, perhaps 1983, or even 1984 is almost academic.

The reel question to he answered is should the accountants abandon further attempts at accounting for inflation. An attractive proposition perhaps at a time when price rises are lower than for some years and still falling, particularly when the criticism of SSAP 16 seems so truthfully founded in words such as "sub-jective," "meaningless," "theo-retical" and "costly."

However, there appear to be two fundamental points which have received little or no consideration in discussion of SSAP 16.

1-Precisely what are we trying to convey by way of pub-lished financial information of

whatever denomination. 2—Assuming that we do abandon SSAP 16, what happens when inflation reaches 20 per cent plus again. The politicians have already

assured the continuance of CCA in the 1981 Companies Act's alternative accounting rules." Contrary to populor opinion the Inland Revenue do recognise the existence of inflation in the taxation of company profits by way of (a) accelerated capital

allowances on fixed assets (b) stock relief. To abardon inflation accounting would seem somewhat short- duty-free shops sighted and create a void that may need to be filled quickly following the next major economic crisis with the probable

attendant soaring inflation rate. Accounting for inflation world-wide is still in an embryo state. Lat it he researched and developed further.

An undeniable fect and abort-duty-free shops (July 8). I coming with historical eccounts have given assurances to the is that many companies are now BAA both in writing and in operating from a smaller capital base, in real terms, than would heve been the case if the ever increasing replacement cost of fixed and working capital had been fully recognised and accounted for.

The logical, practical and aimple solution to the problem is to look forwards instead of backwards as we have done with all the inflation eccounting conventions tried to date and

1—Publish an inflation adjusted summarised profit and loss statement containing two edditional charges coverlng the additional future planned replacement cost of fixed capital and working

2-Restate historical reserves after making the edditional charges referred to ebove, to be adjusted annually after the facts have been established. 3-Publish budget and cash flow information on the future anticipated course of

the business. The disclosure of future viability and progress is surely THE important consideration. W. George Rembaw, 39, Crompton Road, Burnage, Manchester.

From the Vice-President of the 15 1982 page 122.) Christopher Tugendhat, European Commission. Sir,—I am surprised and dis- Brussels.

close dialogue with the tourist boards and such trade organisations as the HCIMA and

Tourism should take its rightful place as a job creator alongside other trades, whilst its pattern of growth controlled to ensure that the economic benefits reeped do not consume

21 Priory Street,

Conal R. Gregory, Prospective Conservative Parliamentary Candidate

PMPA rejects bid for banking offshoot

Companies and Markets

IRELAND'S LARGEST motor insurer, Private Molorists Protection Association (PMPA) has rejected "several" bids for the Commercial Backing Company, including an offer of 154m from American Express.

PMPA holds 80 per cent of the Commercial Banking Company and io believed to be seeking around LESm for it.

Talks are continuing with American Express and, in the meentime PMPA is speeding up publicating of its 1981 accounts. Sharea in the company, which fell after the allegations, rallied towards the end of last week after reports the accounts with show profits of 152m.

PAIN			leelee O
13	62		luly O Price
High	Lova		%
366	310	Banco Bilbao	310
362	243	Banco Central	249
324	274	Benco Exterior	224
337	285	Banco Hisoeno	285
115	107	Sanco Ind Cat	107
367	284	Aanco Santander .	284
235	163	Banco Urquijo	163
393	315	Banch Vizceya	218
250	216	Sanco Zamaoza	233
180	85	Dranadne	81
70	60	Espanola Zinc	63
66.5	53 7	Fecsa	53.7
50	26	Gal. Preciados	26
88.2	55.7	Hidrola	55.7
59	42	berduero	43
104 5	70.5	Petrolens	70.7
101	74	Petroliher	91
40	53	Spelisa	5.5
74	63	Telefonic	64.5
93	52.5	Union Elect.	54
30	02.5	Omini Licon mini	-

Banque Paribas

duc on 15th July, 1983.

12th July, 1982

Credit Suisse First Boston

The Development Bank of Singapore

Battle to sway Bemrose holders on Bunzl offer

that its offer was final and would close at 3 pm on Wednesday July 14.

With the Bunzl share price et 172p on July 7 the offer of convertible loss stock was worth approximately 149p per Bemrose ordinary ahare. The cash alternative remained at 140p for Bemrose ordinary shares and hoth offers were considerehly higher than the Bemrose share price prior to Rungl offers. price prior to Bunzl offers.

Bunzl stresses that the cash alteroative of 140p will not be extended after the close of the

offer on July 14. In his letter to the Bemrose ahareholders, the chairman of Bunzl, Mr E. G. Beaumont, draws attention to the desperate measures adopted by the Bemrose hoard in increasing the 1982 dividend by a rate which is over 10 times greater than Bemrose's own forecast carnings improve-

In addition be comments on the very impreciae manner in which the Bemrose board has forecast pre-tax profits for 1982 and the extent to which this In a move which it says is forecast depends on the recovery aimed at keeping bolders in full of key parts of Bemrose'a husiness in the second half of

CSR Limited

(Incorporated under the Companies Act 1874 of New South Wales)

U.S. \$75,000,000 16 per cent. Notes 1989

Issue price 100 per cent.

S. G. Warburg & Co. Ltd.

J. Henry Schroder Wagg & Co. Union Bank of Switzerland (Securities)

The 15,000 Notes of U.S. \$5,000 each constituting the above issue have been admitted to the Official List of The Stock Exchange of the United Kingdom and the Republic of Ireland, subject only to the issue of the Notes. Interest is payable annually in 15th July, the first such payment being

Particulars of the Notes and of CSR Limited are available from Extel Statistical Services Limited and may be obtained during normal business bours up to and including 26th July, 1982 from:-

> Hoare Govett Ltd. Heron House, 319/325 High Hulborn, London WC1V 7PB

Commerzbank Aktiengesellschaft

Krediefbank International Group

The Hongkong Bank Group

The following have agreed to subscribe or procure subscribers for the Notes:-

of the United Kinedom and the Republic of Indiana.

Bunzl and Bemrose entered into Mr Beoumont says with regard a document battle over the to the Bemrose shareholders who weekend, lobbying Bemrose accept the increased convertible bolders with their arguments for offer, "as the benefit of the paration of its interim results for the half year to July 3, 1982. Mr Gordon Brunton, chairman Mr Gordon Brunton, chairman of Bemrose, tells bolders that pre-tax profils for the six months bave increased by 35 per cent from £765,000 to £1.03m and reflects "the most encouraging overall performance of the group during tha first half."

Turnover is down slightly at \$22,35m compared with \$22,35m. screptance or rejection of stepa we boys taken to change fundamentally the nature of the company, take effect, and show through in a letter to Bemrose holders that its offer was final and would confidently expect our share prire to reflect this echievement.
Should this he so, the opportunity to convert into Bunzi
ordinary shares will represent £22.36m, compared with £23.13m last time, solely because last year's figures included those of an exceptional investment situa-

> Mr Beaumont concludes by drawing attention to the fact that Bemrose ordinary shares have regularly traded between 40p and 70p through most of tha last five years, and urges bolders to accept Bunzl'a offers which he stressed are final and will not

Subsequent to the circulation of the letter. Rothschild's announced on hebalf of Bunzi, that # had acquired 13.8 per cent of the issued ordinary sbare

Mr Brunton points out that, as already announced, directors inteod to declare an interim dividend of 4p net (1.5p). "If you accept the Bunzl offer for your ordinary shares, you will not receive this dividend," be In its circular, strongly urging rejection of the bid, Bemrose said the offer grossly under-values Bemrose's existing and future earnings potential.
Bunzl'a final terms were
described as "wholly inadequats and unacceptable."

a strong performance in security printing, and an improving con-tribution from packaging due to rationalisation and increased cash flow was strong during the first balf, with borrowings continuing to fall, resulting in s possession of the facts regardusiness in the second half of ing the company, and to belp in he year.

Turoing to the future of Bunzl, Bemrose has accelerated pre-

lower interest charge of £345,000, against £421,000. Mr Brunton, reacting to Bunzl'a comments on Bemrose's horrowings, saya that aggregate borrowings, as a percentage of shareholders' funds, fell to 25 per cent, as at July 3 1982, compared with 34 per cent as at Japuary 3 1982,

operations now divested, the chairman points ont.

charman points ont.

He adda that the first half performance "confirms your board's view of the outturn for the full year and the forecast of

As reported on July 7 the group expected pre-tax profits to he in the region of £3m—against

£2.37m for the previous year.

At the trading level the six months surplus was up from £1.19m to £1.38m as a result of

If finance leases, which If finance leases, which he says Bnnzl refers to as off-halaoce sheet financing, are added, the figure becomes 29 per cent (39 per cent),

BY GEORGE MILLING-STANLEY

closed its Roseberry zinc mine in Tasmania, following industrial action by part of the workforce.

have not yet been made clear, but EZ claimed that it bas no

riday. The redundancies are effective immediately.

Apparently the problems started on Thursday, when there was a break in production after some sections of the workforce refused to repair equipment which had failed.

EZ laid off the while 900-strong workforce, and said they

strong workforce, and said they

Cambrian General turns in

of Cambrian and Profits General Securities totalled £176,246, before tax of £57,930, for the helf-year to March 31. In the same period last year, the surplus was £126.126, before tax of £41,789

The directors say a substan-tial proportion of the invest-ment portfelin was liquidated and the resulting proceeds held nn dollar deposit pending the implementation of the capital reorganisation proposals announced in January. Therefore figures ere not comparable.

As far aa is known, 858,000 (4.99 per cent) ordinary shares and 4.909.047 (66.75 per cent) capital shares were owned by U.S. persons on July 2.

As already announced there is an interim dividend of 0.2p on increased capital. Net asset value is given 8s 42.49p per ordinary shere (144.5p and 8.65p per capital sbare). Gross income for the half-year

was £272,244 (£199,231).

Receiver for Eda Sparkrite

ROGER DICKENS and Alistair lones of chartered accountants Pest, Marwick, Mitchell Com-pany, Birmingbam, have been appointed joint receivers and managers of Eda Sparkrite. Ede dealgns, manufactures and distributes electronic antomative products, including high performance ignition systems, car computers and car alarm systems. The husiness was founded by Mr Bruce Gunton 11 years ago and quickly grew to a multi-million pound inruover. The workforce numbers 115.

Eda's problems difficulties in obtaining compo-nents of a sufficiently high standard to meet its requirements,

MINING NEWS

EZ closes Roseberry zinc mine

AUSTRALIA'S EZ Industries has said would be necessary last contribution to profits is exclosed its Roseberry zinc mine in month, when the company repeted in the year to Juna 30 Tasmania, following industrial vealed that Roseberry and the action hy part of the workforce.

The reasons behind the dispute running at a loss since mid-running at a loss since mid-running

The two Tasmanian operations are EZ's only revenue-earning in-

January.

connection with the redundancy are EZ's only revenue earning in-notices issued to 187 workers on terests at present. A first time

BOARD MEETINGS

The following companies have notified desires of board meatings to the Stock Exchange. Such meetings ets usually held for the purpose of considering dividende. Official indications are not available as to whether the dividende are interims or finals and the subdivisions shown below are based mainly on lost year's timetable.

TODAY

Interims: A Kershaw, Bank Omanian-

D. F. Bevan, Celedonian Associated Cinemes, Carcio Engineering, Lennons A. Monk, Peerless, Retners (Jewallers)

FUTURE DATES
Interims:— Bank Leumi (UK)
Finals: Crown House July 10 ICC OII Services July 14 MF Familiar July 22 Wheeler's Restaumnts July 15

Corning moves back to £2.5m profit for year

Glass manufacturer Corning wung round sharply the year to November 29 1981 from a pre-tax loss of £642,000 to a profit of £2.5m, on sales slightly down from £61.65m to £59.2m. As in the previous year, no dividend is to be paid.

Trading profits reached £5.63m (£3.26m). Results featured an exceptional debit of £1.38m (same), interest payments of £1.76m (£2.52m), and tax took £69,000 (£566,000). There were no extraordinary credit items, naiks the previous year, when they totalled £4.23m. Minorities amounted to £5,000 (£12,000). The company is a subsidiary of the U.S. Corning Glass Works

COLMORE INVESTMENTS

Colmore Investments, a wholly owned subsidiary of Nesca Investments, intends to put proposals to bolders of the Colmore first mortgage debenture stock for the redemption of the

pected in the year to Juna 30 1983, from the big new Ranger

uranium mine in the Northern Territory, where the company has a 30.85 per cent interest.

More than 90 men from the Risdon refinery were mads re-

dundant last week.

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except where the forthcoming board meetings (indicated thus") have been officially notified. Dividends to be declared will not necessarily be at the amounts in the column headed. "Announcement last year."

Henry Toponio			Announce-
Date	Announce- ment lest year	Dete	Aper West fast
*AcrowJuly 27	Finel 0.75	Hogo	Final 3.0
*Alexanders OiscountJuly 19	Interim 6.5	RobinsonJuly 21 HooverAug 6	Interim due
*Allied ColloidsJuly 20	Finel 2.097	Horizon TravelAug 17	Interim 1.15
◆Alinatt ·	_'	* lingworth MorrisJuly 22	Finel nil
LondonJuly 13	Final 3.4	PC1July 29	intelim 9.0
*Amershem InternationalJuly 12	Final 3.51	InitialJuly 19 Lex Service	Final 6.25 Interim 2.8
*Associated	laterim 4.5	Hinnels Bank	interim 8.622
NewspapemJuly 15 Auli and	(Friedlitt) 4"D	LonehoJULY JV	Interim 3.0
WiborgAug 5	Interim 0.5	•MSI FUMITUREJULY	Fmal 1.52
Automotive ProductsAug 13	loterim 1.0	SouthernsJuly 13	Final 3.0 Interim 8.0
*Bank		ekidland Rack July JV	Interior 9.62
· Leumi (UK)July 21 Bercleys	Interim 3.15	NatiWest July 27	
BankAug 5	Interim 10.5	ManufetrgJuly 27	Interim 1.1
Balh and Portland나나 15	Interim 2.0	TransportAug 11	Interim 4.3
•aibby (J.)Aug 4	Intenm 2.4	Preedy (A.)Aug 3	final-2.75
*aibby (J.)Aug 4 *Bilton (P.]July 26	Final 4.4	#Benk '	Interim 4.8
antiah		OrganizationJuly 12 RentokiiAug 5	Interim 1.05
AluminiumAug 11 Srown (J.)July 24 *Cable ond	Interim 2.0 Final 2.5	Rothmans InternationalJuly 20	Final 2.65
WirelessJuly 13	Finel dua	Royal	Interim 8.75
Carrington		InsurenceAug 17	Interim 0.55
ViyalisAug 13 Commorcial	Interior oil	SecuricorAug 12 Shall	Interim 6.6
Benk AustAug 13 Commercial	Final dus	TreheportAug 20 Smith and	Interim 1.3
UnionAug 11	Interim 4.85	NephowAug 11	Intarim 1.82
•Daily Mail and		StanhouseAng 20 TI GrossAug 1t	Interim 12.5
Geni TrustJuly 15 Davy CorpnJuly 23	Intedm 11.0 Final 4.7	Tavior	
Oo BeersAug 18	Interim 250	Wondrow Atla 11	Interim 3.16 Final 10.575
*DistillersJuly 15	Finel 7.75	*Thorn EMIJuly 15	Liugi IA'3\3
Dixona	Fig. 1 0 470	Tmnacort DevelogmentAug 10	Interim 1.45
PhotographicJuly 30	Final 2.179 Final 2.8	IffreemarAug 19	Interm 5.0
*DowtyJuly 15 *Fitch LovellJuly 29	Final 3.71	*UnigetsJuly 21	Final 4.0
General .		el Inian	Interim 9.0
AccidentAug 11	Interim 7.5	DiscountJuly 21 VantonsJuly 28	Interim 3.0
*GesternerJuly 21	Interior 1.25	Wegon -	
GlynwedAug 5	Interim 2.45	IndustrialAug 4 Woolworth	Final 3.0
SAAug 18	Final 320c Final 8.0	(F. W.)Aug 12	Interim 1.22
GUS July 18 HAT Group July 13	Final 1.25		
HMEJuly 18	Final 5.5	Board meeting Intim	ated. t Righ
-Hasiomets ·		issus since made, \$ Ts	a Irea. Sc
EstatesJuly 15	Final 4.56 Final 3.75	TORGO BINGS MASSAGE	recast.
HillardsAug 3	LIME 2.75	Mana ailles	

DACE LENDING PATES

BASE LEND	ING KAIRS
A.B.N. Bank 121%	Grindlays Bank
Allied Irisb Bank 121%	# Guinness Mahon 1225
Amro Bank	Hismore Book
Henry Ansbacher 1210	Hargrave Secs. Ltd 1219 Heritable & Gen. Trust 1219
Arbuthnot Latham 12100	Heritable & Gen. Trust 1219
Associates Cap. Corp. 13 %	of Hill Samuel
Renco de Bilhan 12396	C. Hoere & Co
BCCI 12170 Bank Hapoalim BM 12170	Honekone & Shanzhai 1245
Bank Hapoalim BM 121%	Kingsnorth Trust Ltd. 14 9
Bank of Ireland 121% Bank Leumi (UK) plc 121%	Knowsley & Co. Ltd 13 9
Bank Leumi (UK) plc 121%	Lloyds Bank 1217
· Bank of Cyprus 121%	Mallinhall Limited 1219
Bank Street Sec. Ltd. 131%	Edward Manson & Co. 1319
Bank of N.S.W 12175	Midland Bank 1219
Banque Belge Ltd 121%	E Samuel Montagu 1219
Banque du Rhone et de	Morgan Grenfsli 1219 National Westminster 1219
la Tamise S.A 13 %	National Westminster 1249
Barclays Bank 121%	Norwich General Trust 1249
Beneficial Trust Ltd 131%	P. S. Refson & Co 1219
Bremar Holdings Ltd. 131%	Roxburghe Guarantee 13 9 Slavenburg's Bank 1219
Brit. Bank of Mid. East 191%	Slavenburg's Bank 1217
Brown Shipley 12105 Causda Perm't Trust 13 %	Standard Chartered 1210
Canada Perm't Trust 13 %	Trade Dev. Bank 1219
Castle Court Trust Lag. 13 'a	Trustee Savings Bank 1249 TCB 1249
Cavendish G'ty T'st Ltd. 14 % Cayzer Ltd. 121%	TCB 1210
Cayzer Ltd 123.5	United Bank of Kuwait 1210
Cedar Holdings 13 %	Volkskas Intl. Ltd 1210
Charterbouse Japhet 121%	Whiteaway Laidlaw 13 o
Choularions 13 %	Williams & Glyn's 1219
Citibank Savings 1121%	Wintrust Secs. Ltd 1210
Clydesdale Bank 121%	Yorkshire Bank 1249
C. E. Coates	Mambers of the Accepting House Committee.
Comm. Br. of Near East 121%	
Consolidated Credits 121%	7-day deposits 9.5%, 1 mont 9.75%, Short term £8,000/1
Co-operative Bank*121% Corinthian Secs 121%	month 12.7%.
The Cyprus Popular Bk. 121%	† 7-day deposits on sums of: unde
Duncan Lawrie 1215	£10,000 91.01. £10,000 up 1
Davil Terret 1910:	£50,000 1014%, £50,000 and over
Eagil Trust	11%.
Exeter Trust Ltd 13176	# Call deposits £1.000 and over
First Nat Fin Carn 15 %	912:1.

Marks & Spencerplc

At the Annual General Meeting on 1st July 1982,

a Poll was demanded in respect of the Resolution to adopt the Annual Report. The result of the Poll, as ascertained by the Scrutineers, was as follows:

For the Resolution 267,780,892 Against the Resolution 5.254.276 J.H.M. SAMUEL

Director & Joint Secretary Marks & Spencer plc

M. J. H. Nightingale & Co. Limited

Talephone 01-621, 1212

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27/28 Lovat Lans London EC3R 6EB

| Change | C

THE FLEMING UNIVERSAL INVESTMENT TRUST PLC

(Formerly LONDON and HOLYROOD TRUST PLC)

Investment Manager - Robert Fleming Investment Management Limited Secretary - Robert Fleming Services Limited

Three-year summary of results

Year	Total	Ordinar	y Shares	Gross Assets (less current	Net Asset
ende d	Income	Earned	Pa!d	lizbililles)	Value per
31st March	000'3	per share	per share	000.3	Ordinary share
1980	2.089	5.62p	5.50p	34,532	152.4p
1981	2.160	5.89p	5.75p	47,330	211.2p
1982	2,285	6.17p	6.00p	47,765	213.2p

MR. DAVID DONALD, in his chairman's comment, said: The policy of your directors has elways been hased on the original concept of our investment trust company, i.e. to provide for shareholders a spread of investments giving a steadily increasing income with comparative security of capital. In my letter of 19th March 1982 announcing the change of name and proposed new directors I indicated that there would be no dramatic change of folicy, and that income requirements of shareholders would continue to remain an important aspect of that policy. A further improvement in earnings is expected by

Copies of the Accounts are available from the Registrars, Bourne House, 34 Beckenham Road, Reckenham, Kent BR3 4TU.

woold not be allowed to resume work uptil the industrial action was called off. The redundancies are part of programme of economies EZ Tin production

down in June Production of tin concentrates by the companies under the con-trol of Malaysia's Pernas Charter Management fell last month to 1,520 tonnes, compared with 1,579 tonnes in May.

The total for the six com-panies in the enlarged Malsysia Mining Corporation (MMC) group fell to 665 tonnes, against 770 tonnes in the previous month, with three dredges out of action for part of the month for major repairs or modifications. South-ero Malayan expects its No. 1 dredge to re-start in ehout three

Despite thia, the MMC companies managed a total output for the year of 8,503 thones, well above the total of 6,576 tonnes for the preceding 12 mnoths.

June May April
tonnes tonnes tonnes

Meanwhile, tin conrentrate output from the Malaysian producers in the Gopeng group also fell in June, reaching 178.5 tonnes against 183.75 tonnes in

Gopeng, the biggest company in the group, produced 136.25 tonnea compared with 147.5 Nevertheless, nutput over the first nine months of the group's financial year is still running ahead of that for the previous year at 1.342.5 tonnes, compared with 1.216.25 tonnes.

May 147¹2 30 6¹4

•				EQUITES						
lesus price p	Anount paid uo Latrat Ranuna. Data	18 High	82 Low	Stock	Olosing	+ or	DIM p. or amount	Covered	Vield	P.E.
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1250		282	260	Assoc. Heat Services		+2	55.0	8 1	4.6	14.3
145	F.P	46	45	Atlantis Res. Int.	45	l				_
46	F.P. 30/7	. 55	50	Bairstow Eves 5p			b1,51	2.6	4.3	78.0
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(30		158	140	#Druck Hidgs	168		p8'2	2,5		29.Z
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000		630	590	Oriflame SA (US\$L50)			bQ50c			8.8
£150		100	150	#OilNeld Insp. Srvc	158		u8.1	5.7		17.4
77	F.P. 14/7	87	88	Radio City 'A' NV	89		55.6	1.5		10.4
140		186	160	ERudd la (G.) 10p			b3.3	2.e	8.6	21.5
ol. ol.	F.P	44	38	Walker (Alfred) 10p.	38		60,75		3.8	7.1
405	·C D	l on	40	Zambia Cone Con 188	00					-

FOUTTIES

FIXED INTEREST STOCKS

AG A High Low		1 1
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"RIGHTS" OFFERS

issue	d cp	Renut	ha.	19	82	Stock	<u> </u>	+ 01
0.100	Ag			High	Low		ā	
166	F.P.		5/8	189	188	Applied Computer Tooh	182	+2
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174 25	F.P.	18/0 8	0/7	254 8pm		Grand Met 000	831 8pm	
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Renunciation data usually last day for dealing free of stamp duty. A Figures based on prospectus estimate. d Dividend mis peld or payable on part of capitals cover based on dividend on full capital. g Assumed dividend and yield. I Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual esmangs. σ Forecast dividend: cover based on previous year's semings. F lividend and yield based on prospectus or other official estimates for 1982 0 Oross. T Figures assumed. Θ Figures or report swalted. ‡ Cover silones for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Platting price. p Penca enless atherwise indicated. I leaved by tender. ¶ Offished to holders of profitnary shares as a "rights." "I saved by tender. ¶ Offished to holders of profitnary shares as a "rights." "I saved by tender. ¶ I introduction. □ I saved to former preference holders.
M Alletment latters (or fully-paid). ● Provisional or partly-paid ellotment latters. † Dealings under special Rule. ♣ United Securities Market. †‡ London Listing. ‡ Effective lesus price after scrip. † Formerly dealt in under Rule 163(2)(o). ↑ ↑ Unit comprising five ordinary and three Cap. shares. △ Issued free as an entitlement to ordinary holders.

Public Works Loan Board rates

Effective July 7

				. 46			at .
ļ	Youre	by EIP†	А‡ - п	nturity	by EIPt	A‡	maturityō .
ı	Up to 5	13ł	13 1	134	141	143	141
ì	Over 5, up to 6	13¥	131	13	14 <u>‡</u>	14]	14
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FINANCE FOR INDUSTRY TERM DEPOSITS.

Prices now available on Preetel gage 48146.

Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years.
Interest paid gross, half-yearly. Rates for deposits received not later than 23/7/82

3 4 5 6 7 8 9 10 131 131 131 131 131 131 131 Deposits to and further information from The Treasurer, Finance for Industry plc, 91 Waterloo Rd., London SEI &XP (01-928 7822, Ext. 367).

Cheques payable to "Bank of England, a/c FFI" FFI is the holding company for ICPC and FCI.

THE TRING HALL USM INDEX 128.0 (+0.2) Close of business 9/7/82

Tel: 01-638 1591

BASE DATE 10/11/80 100

LADBROKE INDEX Close \$50-555 (+2)

C.V.G. Siderurgica del Orinoco C.A. (Sidor)

(Incorporated with limited liability in the Republic of Venezuelo) U.S.\$50,000.000

FLOATING RATE NOTES DUE 1984-1988 In accordance with the terms and conditions of the Notes and the provisions of the Agent Bank Agreement between C.V.G. Siderurgica del Orinoco C.A. (Sidor) and Citibank, N.A., dated July 7, 1980, notice is hereby given that the Rata of Interest has been fixed at Ide (2) per sunum and that the interest payment on the relevant Interest Payment Date, January 12, 1983 against Coupon No. 5 in respect of U.S.\$10,000 nominal amount of the Notes will be U.S.\$849.72.

July 12, 1982 By: Citibank, N.A., London, Agent Sank

CITIBANCO

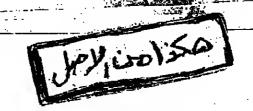
UNION DE BANQUES ARABES ET FRANÇAISES — U.B.A.F.

U.S.\$65,000,000 Floating Rate Notes 1980-1990

In accordance with the conditions of the Notes notice is hereby given that for the six-month period 12th July 1982 to 12th January 1983 (184 days) the Notes will carry an interest rate of 161% p.a.

Relevant interest payments will be as follows: Notes of \$1,000 U.S.\$84.33

> CREDIT LYONNAIS, Luxembourg Fiscal Agent



CREDITS

Australian borrower reaps benefits of flight into quality

into quality in the Euromarket defer repayment of debt. more than the ease with which the State Electricity Commission moment about the details of of Victoria was able to raise last week a \$120m loan.

15 years is almost twice the World Bank. average preferred in the market nowadays even for well-regarded lem is a relatively small one. names, and the mangins are but its disclosure only serves such as to make these borrowers green with envy.

margin of a per cent over may bave opened up in a much Eurodollar rates for the first two bigger debt problem, that of years, # for the next seven and per cent for the remaining six. Repayments will start after a grace period of 12 years.

Merrill Lynch, which is acting as adviser to the borrower. said on Friday that the whole deal was committed on these terms, although the full list of lead managers is not being disclosed till later this week.

The Eurocredit market will also shortly have a chance to savour another Australasian risk in the form of the New Zealand Refinery Co which is raising \$750m through a group of banks led by Lloyds, Morgao Guaranty, National Bank of New Zealand and Bank of New

Zealand. This credit follows hard on the heels of the \$1.7bn financ. concentrate on discreet smaller ing for the New Zealand Synthetic Fuels Corporation and is expected to be, raised on terms similar to the \$500m credit arranged by the same borrower in 1980.

New Zealand Refinery then paid a margin of 1 per cent for the first three years, rising to I per cent for the next fiveper cent for the final four. Both that credit and the new one are to finance the only refinery Marsden Point on the North

But while the market is enjoying doing business with these customers, news has come in of yet another rescheduling. Malawi, with debts of around \$600m and a 1981 current account balance of payments deficit of \$110m, has asked its

Little is known at the its request, but the country also understood to be negotiating facilities from the Interna-The maturity of the loan at tional Monetary Fund and the

In itself Malawi's debt probto add a little more to the gloomy atmosphere surround-Interest will be charged at a days, even if a chink of light

As already reported. Western banks are promising to consider recycling interest pay-ments back into Poland in the form of short-term trade finance that is needed to boost its export industry.

Poland would have to agree to meet all its \$900m inter payments to Western banks this year and not all the payments of trade credits. Such a solution may prove hard to sell to all the 500 banks owed money by Poland but it could still offer a way out of the impasse caused Poland's inability to meet the interest payments out

Mexico, meanwhile, has not yet launched another large borrowing as a follow up to its recent jumbo credit, but seems to prefer for the time being to

One such operation reported in the market last week involved efforts by a UK bank to arrange a \$150m, three-year credit for Finasa, the sugar industry finance board, at a margin of 1‡ points over Eurodollar rates or 1 per cent over U.S. prime. Banks willing to take \$20m were offered a very generous fee of 1 per cent.
Despite the problems of the Canadian oil and gas industry, one company from this sector is braving the Eurocredit market. Ocelot Industries is raising \$75m through an eight-year credit with an average life of 61 years and a margin of 1 per-centage point over Libor. The operation is being led by Orion

Peter Montagnon | Not yet priced. # Final terms.

INTERNATIONAL BONDS

General rally a possibility after decline in interest levels

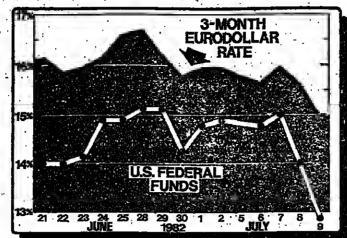
THERE IS nothing like a bank failure to concentrate the minds of Eurobond dealers, economists, central bank authorities, and anyone else with an interest in the volatile world of interest

For months now the lunchtable talk of Eurobankers has been grim, even macabre. If there would only be a major U.S. corporate or bank failure. they have reasoned, the immediate shock impact would lead anthorities to inject liquidity into the market which would finaly result in falling interest

The past seven days bave seen a small bank failure in Oklahoma—Penn Square—but the ripples have led to exaggerated fears, emotional selling of U.S. and Canadian bank Europaper, and above all, the hint of what many Eurobankers per-ceive as a fear-induced decline in dollar interest rates. result? A possible Eurobond market rally, provided it is not killed off by a flood of new fixed-interest issues.

By the end of last weekafter a major Euromarket selloff of U.S. and Canadian bank bonds, floating rate notes and certificates of deposit—there were indications that the market was gearing up for a rally. Prices of Eurodollar bonds rose by a point on Friday, the sixmonth Eurodollar deposit rate had fallen t per cent on the week to 151 per cent, and new issue managers began speaking Another fund manager com-again about a window for mented: "I don't personally borrowers.

Several Eurobankers reck oned the bank paper sell-off had been overdone and indeed, there were signs of limited buying late on Friday. But Thursday



bond improved by 1 point on

Friday and at 98 was yielding

14.95 per cent, not more than

10 basis points away-from five-

money, said traders, was piling

the other hand,

floating rate notes of CIBC.

Continental Illinois, and Bank

Gemeinwirtschaft

sharply on Friday, BfG's 1989

FRN at 1 per cent over Libor

fell by 1 point to 977 from 981,

floater on the same terms also

shed a point to stand at 97% to

All of this having occurred

point to close at 971

Continental Illinois's

year U.S. Treasury bonds.

into quality issues.

On

while

sion of trading in Continental U.S. Treasury boods and into Binois bonds and Friday saw sovereign risk paper. Tha the same thing happen to Cana-Government of Canada's \$750m the same thing happen to Cana-dian Imperial Bank of Commerce (CIBC) paper.

Major Eurobond institutional investors—those whose portfolios are in the multi-billion dollar bracket—confirmed that they had engaged in distress selling of floating rate notes and CDs. The blocks sold bad been of \$5m. \$10m and higher amounts in some cases, and these included top U.S. bank names with very high yields.

It was this kind of selling of bank paper, irrespective of yield, which underscored the seriousness of Europe's concerns. Was the sell-off of hank paper overdone? One investor to 981. CIBC's new 1994 paper complained on Friday it was at a over the three-month level very hard to find a market." believe these banks will have their doors closed, but that doesn't prevent the market from worrying."

however, it must be stressed that the Eurodollar bond The most tangible effect of the banking worries was that market's undertone is firm and

Friday. The news of a \$3.7bn drop in the U.S. M1 money supply is another constructive development. The Euro D-mark bond

nterest rates declined

sector saw on Friday an encouraging upturn of 1 point. The New Zealand 91 per cent paper is doing very well, while South Africa's Postal Service 10 per cent deal traded at yields of 11 per cent. This is viewed as a reasonable level for the less-tban-popular South African paper, while seasoned Argentine DM bonds are yielding around 15 per cent.

The World Bank will be watching the D-mark sector closely and may come to market this week. The coupon range appears to be 9½ to 9½ per cent and the World Bank will obviously be hoping for an market and the lowest possible coupon.

Agip, the Italian energy roup, has postponed its group, has postponed its DM 100m issue until after the summer. Emhart, the U.S. in dustrial group, meanwhile, has AT&T's 141 per cent paper been forced to increase its DM sbot up to a price of 103 on conpon to 92 per cent after a Friday: providing a yield of poor reception. 13.38 per cent. The smart

In Switzerland, the slightly weaker U.S. dollar helped the bond market to improve on Friday. One cloud on the Swiss horizon is a rising inflation rate, but the six-month Euro-Swiss deposit rate is a modest 5 13/16 per cent.

lt was learned over the Ministry of Finance has author ised four Japanese banks to issue fixed interest Eurodollar bonds. New issue managers at several London-based banks were understood to be working over the weekend on a \$50m fixed interest bond:

Alan Friedman

WORLD BANK

Low cost for variable rate dollar funding

"WITH REAL U.S. interest dollar market is very large and rates as high as they are, this liquid, he said, which made it is a good time to be borrowing short-term dollars."

Thus Dr Joseph Wood, direchave indicated that they would not wish to see the bank bortor of Financial Policy and Analysis at the World Bank, rowing at variable rates in D-Marks which has been one of explains the reasoning behind the bank's decision to start borrowing at variable rates in the U.S. money market Within the next few months

the bank is expected to embark on its first operation of this kind. In its current fiscal year to June 30, 1983, it will raise a maximum of \$1.5bn in variable rate debt, the bulk of which will come through the sale on a discount basis of oneto six-months notes in the U.S. In London last week to explain the new programme, Dr Wood maintained that the cost of this form of borrowing was considerably cheaper medium-term borrowing in the floating rate note market or syndicated

credits. He said the World Bank boped to achieve a very fine margin over U.S. Treasury Bills with its programme, which could give the bank access to some of the cheapest dollars

in the market. On Friday six-month U.S. Treasury bills were trading at just over 12 per cent, while the six-month Eurodollar rate, on which floating rate notes and Eurocredits are based, was 151. The new borrowings will reduce the need for the bank

to raise expensive medium- and long-term bonds in U.S. dollars as part of its \$9bn programme for the current fiscal year, but Dr Wood stressed that the bulk of its operations will still be at fixed rates of interest.

By offering a new type of instrument in the U.S., the bank hopes that it may broaden the range of investors buying its paper. The short-term U.S.

rowing on dollars. The World Bank bas decided to move into short-term variable rate borrowing basically because it fears the fixed rate markets may not grow enough to support its very beavy fund-

its favourite currencies

an obvious choice for this type

The West German authorities

Markets in many other cur-rencies are too thin to sustain

the type of borrowing the bank

wishes to arrange, which is

another reason for choosing to

concentrate its short-term bor-

of borrowing

Already in the first part of the last fiscal year its liquidity dipped from the usual level of around \$10bn to below \$9hn as some borrowing had to be deferred because of the state of the markets. At the end of June the liquidity was back up

to \$10.3bn, Dr Wood said.
Dr Wood acknowledged that the Bank could make a profit the short-term borrowing if it treated the funds raised liquidity and invested them in higher-yielding short-term instruments.

would be passed on to the bank's borrower country elients in the form of lower loan fees, although the bank is going to pass on the interest risk in short-term borrowing by altering its loan rate every six months from now on... Dr Wood said that these

alterations would be fairly small because the major portion of the bank's debt-it has some \$33bn outstanding-would still

P.M.

					•		CURRENT I	INTERNAT	FIONAL BOND IS	SUES						
Borro		Amount m	Maturity	Av. life years	Coupon %	Price	Lead manager	Offer yield	Borrowers	Amount	Maturity	Av. life years	Coupon %	Price	Lead manager	Offer yield %
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CRA	† ************************************	250	1990	. 6		100	BA Asia		NYK Line	100	1992	_		,,,,	<u> </u>	7.000
Emhar	RKS Zealand‡ rt Ovs. Cap.‡ usster Gen. S.A.**‡	· 100 100 75 100	1987 1989 1987 1987	5 7 5 10	91 91 101	1001 595 100	Commerzbank BHF Deutsche Bank West LB	9,121 9,852 10,530	ECUs Credit Foncier de Franc	ce 40	1989	7	13}	٠	Banque Indosues, Kredietbank Intl.	•

BANCO TOTTA & ACORES BANCO TOTTA & AÇORES Head Office: Rua Áurea, 88 — 1100 LISBON • PORTUGAL Branches in London, New York and Cayman Islands BALANCE SHEET AS AT 31ST DECEMBER 1981 Liabilities Cash and deposits with central banks 15,794,810 Collections 5,492,582 Interbank loans and deposits 18,813,959 Gold and sundry currencies 506,032 Loan portofolio 141,209,348 Less provisions for bad debts 3,022,592 Portofolio of securities Profit for the year Less depreciation Other assets 209,717,641 CONTRA — ACCOUNTS Safe custody items 'alateral held as security es and avals given Letters of credit opened Piedged collateral Forward purchases Forward sales Other courts and memorandum accounts PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1981 Commissions receivable APPROPRIATION ACCOUNT Profits for appropriation Profits relating to previous years Extraordinary gains Provisions no longer required Losses relating to previous years Extraordinary losses.... Profit for the year This figure includes 467,000 thousand Escudos relating to social security payments (B.T. & A. is the only Portuguese Credit Institution integrated into the National Social Security Scheme). CHIEF ACCOUNTANT AND CONTROLLER Álvaro João Pinto Correix Francisco da Casta Lones The Annual Report, the Balance Sheet and the Statements of Accounts have been approved by

EXON CORPORATION

\$515,486,000 debt restructuring

The undersigned

assisted Exxon Corporation

in this transaction

Morgan Guaranty Trust Company of New York

June 1952

U.S. BONDS

Fed eases tension to market's delight

that the Federal Reserve was trying to encourage a fall in interest rates could easily move interest rates. Some excellent up again. money supply figures were sugar . A key date is July 20, when on the cake.

expected things to turn out. The week started badly with the collapse of Penn Square Bank in Oklahoma-a calamity that could turn out to be as severe for the banking system as May's default of Drysdale. There were also worries that the Fed (which had held a

U.S. INTEREST RATES (7.) Week to Week to July 8 July 2 Fed. Funds wkly ev
July 8 July 2 Fed. Funds wkly ev 13.77. 14.78 3-month Treas. bills 11.82 12.52
Fed. Funds wkly ev 13.77 14.78 3-month Trees. bills 11.92 12.52
3-month Treas. bills 11.92 12.52
3-month Treas. bills 11.92 12.52
30-year Treas, bonds 13.94 13,85
AAA utility
AA industrial 15.50 15.75
Source: Salomon Bros (estimates).
in the week to June 30 M-1 fell \$3.7bo.

policy meeting the week before) would stand fast because of the expected bulge in the money supply later this month.

to \$445.9bn.

But the Fed supplied the credit markets with reserves at to: 13 per cent by Friday night, a heady rate all week long, and analysts believe it should Some of it was obviously inten- now settle into a new trading ded to ease tensions caused by Penn Square. But by Friday few people doubted that something big was afoot.

The popular interpretation is that the Fed has not relaxed-itsrestrictive money supply growth targets. But it may now feel it has the leeway to ease up a bit and provide the interest

After Friday's \$3.7bn decline in M1 (much more than Wall Street expected), this crucial measure is now comfortably within the Fed's target range of 21 to 51 per cent annual growth. So even if the July bulge does meterialise, it need not set off the alarm hells. This coming Friday's figure will see the first uf it: M1 could he up between \$5bn and \$10bn.

Analysts are being more cautious about lahelling this the turning point, however.

THE U.S. credit markets were Fed is unlikely to feed a big in a state of near-euphoria by burst in credit demand. So the the end of last week, amid signs moment the pace of borrowing that the Federal Reserve was Treasury comes back to market.

Mr Paul Volcker, the Fed chair-This was not how people man, makes his semi-annual testimony to Congress on mone tary policy. He will use the occasion to lay out the Fed's money supply targets for the second half of this year. Accord-ing to a leaked report in the New York Times this weekend, the feeling at the Fed is that the present targets should be left unchanged, but no final vote has yet been taken. Although it is re-assuring that the Fed is stick ing to a leaked report in the New might be disappointed, especially at the short end, not to see signs of more accommoda-

> For the moment, however, things look a lot brighter. Short-term interest rates fell by over 1 per cent last week, holding out the prospect of a cut in the prime rate from its present 16] per cent level. Last week's closdeposit which strongly influence the prime, suggested bankers could bring it down to 16 per cent, providing there are no nasty surprises.

. The Fed funds rate was close range around 12; per cent-This fall in funding costs, along with the new mood of optimism, pushed up bond prices by two or three points. The long Treasury hond closed yielding 13.40 per cent, having started the week over 14 per cent.

This week's new issue calendar is light - as was last week's - but borrowers may well have rate relief everyone is crying take the plunge in a stronger, market. There are now dozens of "shelf" issues which can he brought down at a moment's

Fur once, there are no major Treasury issues, apart from the regular weekly auctions of bills. Key statistics include industrial production for June due on Thursday, which will be down hecause of the fall in car output, and the producer price in dex-on Friday, which could be up only slightly.

David Lascelles activities.

Lord Weinstock fails to allay AEG union fears

LORD WEINSTOCK chief policy. executive of General Electric Company, failed at the weekend the UK electrical group's planned participation in tha rescue of financially stricken AEG-Telefunken, West Germany's second-largest electrical and electronics concern.

At a four-bour meeting on Saturday with the 10 employee representatives on the AEG supervisory board, Lord Weinstock made clear, however, that, if the work force continued its outspoken opposition, would give up its bid to purchase a 40 per cent interest in AEG's capital goods business. West German trade unions and the AEG workforce realise they are being backed into a corner in their continuing opposition to the breaking up of the company but they still appear intent on seeking an alternative

"national German solution." Lord Weinstock refused to give any guarantees about future job security, the major trade union fear, or about his influence on AEG management

pected to take a decisive turn Under the rescue plan proposed by AEG management to ernment is due to decide on to allay trade union fears about save the ailing West German AEG's application for loan electrical giant, the concern guarantees covering export would be broken up into orders totalling DM 600m separate companies for capital (\$241m). goods and consumer products.

> end for the latest in a series of discussions that have taken place over the last year. The crisis surrounding the beleaguered company is ex- position.

later this week, when the Gov-

The guarantees should offer Lord Weinstock also met AEG at least a temporary AEG management at the week- breathing space in its fight to end for the latest in a series stave off financial collapse, by allowing the banks to grant new credits to ease the company's short-term

JAL group profits ahead

JAPAN AIR LINES (JAL) has revenues to Y723.62bn reported a 75 per cent increase in its consolidated net income for the year ended March to a proposal by Wheeling-Pitts-Y5.3bn (\$21m) from Y3.06bn a burgh Steel Corporation of the year earlier.

The results mirrored a similar in a seamless steel pipe project. performance at the unconsoli-daed level of a 59 per cent rise build a \$140m seamless steel in nst profits to Y5.9bn on a plpe plant and has asked Kob 10.6 per cent increase in to put up half the money.

• Kobe Steel has postponed a decision on wheth U.S. for financial co-operation Wheeling-Pittsburgh plans to

Permission for Citicorp data arm

By David Lascelles in New York CITICORP, the large New York benking group, has received permission from the Federal Reserve Board to set up a subsidiery to enter the data processing and trans-

The move marks an important milestone in the banking industry's efforts to break into new fields. It also deals a blow to the existing data-pro-cessing business, which had opposed Chicorp's applica-tion on the grounds that the bank had unfair access to potential customers through its banking relationships.

misson business.

However, the Fed found this was not so, though it ruled that Citicorp can only offer services related to bank-

Citicorp, which will offer the services through a sub-sidiary called Citishare, has made a substantial investment In the business. It was to offer time sharing, pro-gramming, data bases, fore-casting, accounting and many similar services to clients.

Company in Panama free trade zone fails

BY DAYED GARDNER IN PANAMA

PANAMA'S COLON free trade zone, the largest in the western first casualty of its 34 year while risen 55 to 60 cents per existence.

Miramar, a company producing cubic zirconia—a semi-precious stone used for imitation diamond jewellery has ceased trading after accumulating losses put hy the company st "close to \$3.5m" over the past three years. Miramar was one of the first light industries to be set up inside the free trade zone, as part of a continuing effort to broaden the activities of what was originally little more than an international distribution centre. Added value generated within the free trada zone last year reached a record \$207.5m.

When Miramar was set up in 1978, the price of polished cubic zirconia was \$25 a carat, with unprocessed zirconis-imported rgely from the U.S. and the Soviet Union, costing 47 cents a carat. The Miramar venture was planned on the basis of a median price for finished stones of \$15 per carat.

The price of finished zirconia plummeted earlier this year and hemisphere with a turnover last now stands at 65 cents per year of \$4.4bn, has suffered the carat: raw zirconia has meanrisen to nearly \$4m when it closed with capacity to produce up to 10,000 polished stones a day, The company started up with a \$3.5m credit under a Panamanian state credit scheme designed to promote labour intensive, light assembly opera-

The company's owners are hoping its demise will only be temporary, and have given themselves six months to find international backing for a more diversified venture, processing a wider range of semi-precious

Miramar is part of a group of companies centred un Inter-national Ciers SA, me of which, Motores Internacionales, has the sole Latin American franchise for the Soviet-made Lada car. The strength of the group as a whole has meant Miramar has had little difficulty in repaying its \$3.5m debt or paying of its 150 employees.

INTERNATIONAL APPOINTMENTS

Senior posts. at Kaiser Aluminum

Mr William Hobbs, corporate vice president and chief finan officer of KAISER ALUMINUM AND CHEMICAL CORPORA-TION, will assume new responsibilities as senior vice president and assistant to the chairman, Mr Cornell Maler. Succeeding Mr Hobbs as chief financial officer is Mr Edward M. Quiman. Mr Ouinnan has also been elected a corporate vice presi

Mr. Hobbs will additionally serve as senior adviser on domestic and international financial matters and will contioue his duties as a member of the corporation's board of directors. Mr Quinnan will report to the chairman and will be responsible for the corporation's varied and on-going financial inferests and activities. Prior to his most recent assignment as president of Rancho California, a large wholly-owned real estate subsidiary in Southern California, he was assistant treasurer in charge of all domestic financing

management with the Zurich detergent and soap company FRIEDRICH STEINFELS.

• The Italian state energy conglomerate ENTE NAZIONALE IDROCARBURI has named Mr Salvatore Portaluri to succeed Mr Florio Fiorial as its financial director. Mr Portaluri was previously s managing director at ENTs AGIP petroleum subsidiary. The appointment was made Mr Enrico Gandolfi, thetemporary commissioner of ENI appointed by the Government two months ago. Mr Fiorini has been relieved of his post as a consequence of his apparent involvement with Italy i largest private bank, Banco Ambrosiano An inquiry into \$12.6m worth of loans ENI extended to foreign affiliates of the bank is pending. The bank is currently being run appointed by the Bank of Italy after Ambrosiano's board voted to dissolve Itself following the disappearance over two weeks' ago of its chairman, Mr Roberto

Calvi, who was found dead in

June 1982

London on June 19.

● Mr Bruno P. Vateriaus, ● Mr Mike Venn has been formerly a manager of Hoffmann appointed manager and vice La Roche, Is on July 1 to succeed president of NATIONAL WEST-Mr Marc Steinfels as head of MINSTER BANK'S San Francisco overseas branch.



Mr Mike Venn

succeeds Mr Peter Dunkley who is returning to the UK on comdetion of his tour of duty. Prior to bis new appointment Mr Mike Venn was a manager in the international banking division syndications section, the City of London.

HARNISCHFEGER CORP, Milwaukee, bas elected Mr William W. Goessel as president, chief operating officer and a director. He was an executive vice-president of Beloit Corp, and replaces Mr Henry Harnischfeger, who continues as chairman and chief executive officer.

Mr Leland A. Hedges of Fort Worth was elected to the board of REPUBLIC OF TEXAS CORP (RPT). He is chairman of the board of State Reserve Life Insurance Company of Fort Worth and is the managing partner of Leonard Properties.

• Mr Roger Powell has joined WIGHAM POLAND GROUP and will be chief executive of its Swiss subsidiaries from July 1. IMPERIAL OIL has appointed Mr Arden Haynes, executive vice president, president from October 1, succeeding Mr James Livingstone who is taking early

Brussels has appointed Mr Takeshi Watanabo as managing director, succeeding Mr Ko Tokuda, who is to assume a new appointment at The Long Term Credit Bank of Japan. Mr Watanabe is the chief repre-sentative of The Long Term Credit Bank of Japan, Paris

• NIPPON EUROPEAN S.A. in

 Mr William Michael Karnes has been elected vice president and treasurer of PLAYBOY ENTERPRISES, INC. Mr Karnes has been treasurer of Playboy since joining the firm in November 1980.

Mr Peter N. Larson, B vice president of KIMBERLY-CLARK CORPORATION, has also been named president of the K-C Consumsr and Service Companies-U.S. Mr Larson had been responsible for marketing in the U.S. operations of the K-C Consumer and Service Companies.

Mr Kenneth W. T. Mann has joined RFC INTERMEDIARIES. INC. as assistant vice. presiden in the Los Angeles branch office and assumes responsibility for the development of casualty facultative reinsurance. Mr Mann was formerly reinsurance manager for Cravens Dargan and Co. and assistant vice president for P and B Inc., both in Los Angeles.

• Mr Martin J. Kallen has been elected a vice president of MON-SANTO COMPANY and will managing director of Monsanto's Europe Africa opera-tions on August 1. He will also

January 1981. Dr Anagnosto poulos is returning to the U.S. as a vice president and vice chairman of a newly-formed corporate development and growth committee. Also elected a vice president is Mr Herman J. Fonteyne, who will become managing director of Monsanto Agricultural Products. Mr Fonteyne, a Belgian, shares with Mr Kallen the distinction of becoming the first non-U.S. nations to be elected vice presidents of the parent company. Mr Jack D. Michaels has been

appointed president of INTER-NATIONAL HARVESTER'S equipment group, from July 15. Mr Michaels is senior vice president of the company's equipment group operations in Europe, Africa and Middle East, hased in Paris. Ha succeeds Mr Marvin Pomerants, who has resigned as executive head of the equipment group which includes IH's agri-cultural and construction equipment operations, to return to the management of a diversified real estate firm. Appointed to succeed Mr Michaels is Mr Carl Levy, who has been serving as president and chief crecutive officer of ENASA in Madrid, Spain. Mr Levy was managing become chairman of Monsanto officer of ENASA in Madrid, Europe S.A. Mr Kallen succeeds Spain. Mr Levy was managing Constantine E. Anagnostopoulos, director of Ford operations in who has held this post since Norway, France and Spain.

FT INTERNATIONAL BOND SERVICE

These Notes having been sold, this announcement appears as a matter of record only. $\frac{1}{2} \frac{1}{2}

U.S.\$75,000,000

GTE Finance N.V

Retractable Notes due 1997

Orion Royal Bank Limited

Algemene Bank Nederland N.V. Banque Internationale à Luxembourg S.A.

Chemical Bank International Group

Continental Illinois Limited

Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft Société Générale de Banque S.A.

Banque Bruxelles Lambert S.A.

Commerzbank Aktiengesellschaft Crédit Lyonnais Salomon Brothers International

Blyth Eastman Paine Webber International Limited

Swiss Bank Corporation International Limited

Westdeutsche Landesbank Girozentrale

Arnhold and S. Bleichroeder, Inc. Julius Baer International Limited Banca Commerciale Italiana Banca del Gottardo Bank of America International Limited Bank Gutzwiller, Kurz, Bungener (Overseas) Limited

Bank of Helsinki Ltd. Bank Heusser & Cie AG Bank Leu International Ltd. Bank Mees & Hope NV Bank Morgan Labouchere N.V. Banque Indosuez Banque dn Rhône et de la Tamise SA Banque Populaire Suisse SA Luxembourg Banque Worms Barclays Bank Group Baring Brothers & Co., Limited

Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft Bayerische Vereinsbank Aktiengesellschaft Bergen Bank A/S Berliner Handels- und Frankfurter Bank . . . Hambros Bank Limited B.S.L. Underwriters Limited Саделоче & Со. Christiania Bank og Kreditkasse CIBC Limited ----Compagnie de Banque et

d'Investissements, CEI

Copenhagen Handelsbank A/S Crédit Industriel d'Alsace et de Crédit Industriel et Commercial. Credit du Nord Creditanstalt-Bankverein Daiwa Europe Limited Richard Daus & Co. Bankiers - Delbrück & Co. Den norske Creditbank

Deinsche Girozentrale -Deutsche Kommunalbank -DG BANK Deutsche - Genossenschaftsbank -Dominion Securities Ames Limited Effectenbank-Warburg Aktiengesellschaft Eurogest S.p.A. **Europartners Securities Corporation**

First Chicago Limited
Fuji International Finance Limited
Genossenschaftliche Zentralbank - AG-Vienna Greenshields Incorporated Handelsbank N.W. (Overseas)

Limited Hessische Landesbank — Girozentrale — The Hongkong Bank Group E.F. Humon International Inc.

Kidder, Peabody International Limited Kleinwort, Benson Limited Kredietbank N.V. F. van Lanschot Bankiers N.V. Lazard Frères et Cie McLeod Young Weir International Merrill Lynch International & Co. Mitsubishi Bank (Europe) S.A. Nederlandse Credierbank ny Norddeursche Landesbank Girozentrale Nordic Bank PLC

Sal. Oppenheim jr. & Cie. Orion Royal Pacific Limited Österreichische Länderbank Peterbroeck, Van Campenhout & Cie S.C.S. Pierson, Heldring & Pierson N.V. Scandinavian Bank Limited J. Henry Schroder Wagg & Co.

Skandinaviska Enskilda Banken N.V. Slavenburg's Bank Sparbankernas Bank Strauss, Tumbull & Co. Vereins und Westbank Akriengesellschaft Wood Gundy Limited Yamaichi International (Europe)

Limited

All the second second	•		
U.S. DOLLAR			Change on
STRAIGHTS	Issued	Bld Offer	day week Yield +0, +0, 14.35
Astra Life 15 86/97 Amex Int. Fin. 164 92 Amex O/S Fin. 144 88	150	101% 1017	+0% +0% 14.36
Amex Int. Hn. 164 92	75	1975 98	+02 +05 16.89
Amex D/S Fin. 144, 88	75	944 943	+04 +04 15.58
ATT 144 89	400	1023 103	+0% +0% 13.56
Bakar Int. Fin. 0.0 92 BHP Finance 144, 89 Bk. Amer. NT 5A 12 87 Bk. Montreal 142 87	225	28 28	2 +0% 0 14.90
BHP FINANCE 14% 89	150	95% 95%	+01/2 +01/2 15.87
Bk. Amer. NI SA 12 87	200	90% 90%	+02 +03 14.92
Boue. Inde Suez 15 88	100	343 333	0 -1 15.02 +05 +05 18.03 +05 +05 15.46
British Col. Hyd. 141 89	200	30, 30	TM: +M 45 45.
Burroughs Int. 15% 88	50	307 3/7	TU2 TU3 13,46
Cavada 1/1 97	760	072 O75	TO TO 10.00 .
Canadair 154 97	150	901 .907	TOT TOT 13.13.
Canadian Pec. 14% 92	75	961 983	+0½ +0¾ 15.68 +0½ +0¾ 15.15 +0¾ 0 15.54 +0¾ -0¾ 16.13 +0¾ +0¾ 16.13
Canadian Pec. 14's 82 Carolina Power 16's 88 CIBC 16 87	50	1007- 1012	+05 +05 16.13
CIBC 16 87		994, 997	-04 -1 15.04 +04 +04 14.79 +04 +07 15,26
Citioorp 0/S 15 84/92	100	997, 1003	+04 +04 14.79
Citicorp 11/5 15 85/97	125	100 1004	+0- +0- 15.26
CIBC 16 87	75	96 96	+05 +05 16.52
Con. Illinois 154 88	100.	961, 99	-07, -07, 16.00
Ouke Pwr. 0/S 15 89	50	947, 953	-0% -0% 16.00 +0% +0% 16.70
Oupant 0/S Cap. 0.0 90	300	245 251	-10%. O 14.89
ECSC 14% 87 (April) ECSC 14% 87 (June)	50 .	964 974	+03, +03, 15.63
ECSC 144 87 (June)	30	964 97	+0% +0% 15.71
EIB 157 88		987, 994	+0°4 0 15.66 +0°4 +0°1 15.42 +0°4 0 14.22 +0°4 0 14.29
Ekeportinane 142 89	50	957, 963	+07 +07 15.42
Gan. Elac. Credit 0.0 92	400	27% Z8%	+0% 0 14.22
Come Oll let 14 99	400 125	24 24	+0, 0 14.29
CHAC O/E Fin: 15 00	150	972 9/1	+0, +0, 14.80 +0, +0, 15.64 +0, +0, 15.56
CMAC D/S 151 85/97	100	007 005	TAL TAL 18 68
GMAC 0/S Fig. 15 89	125	963. 967.	+0", +0", 15.81
GMAC 0/S Fin. 15 87	100	987. 997	+0- +0% 15.27
Gen. Elec. Credit 0.0 63 Genty Oli Int. 14 89 GMAC 0/5 Fin. 15 88 GMAC 0/5 Fin. 15 87 GMAC 0/5 Fin. 15 87 GMAC 0/5 Fin. 15 87 GMAC 0/5 Fin. 15 87 GMAC 0/5 Fin. 15 87	.100	90-95	· + O4 - O- 15.72 ·
Gulf Oil 14% 94	175	974 974	+04 -04 14.67
Gulf Canada Ltd 14% 92 Gulf Oil 14% 94 Gulf Oil Fin. 0.0 92 Gulf Statea 0/5 16 92 Int-Am. Tu. 8k. 15% 87 Japan 0ev. 8k. 16% 87 New Brunswick 16% 89 Onterto Hydro 14% 89 Psc. Gea & E. 15% 89 Phillips Petrol 14 88	300	27 27	+04 -04 14.67 +04 -04 14.43
Gulf States 0/5 16 90	60	4943 953	-03 -13 17.18 +04 +03 15.87
Int-Am. IIV. Bk. 15 87	55 50	964 974	+04 +04 15.87
New Property 151	75	702 7025	TU's TUS 14./1
Ontario Haring 141, 50	150	OT 073	+07 +07 15.96
Pac Ges & Fl 151- 89	45	1005, 1005	+64 1464 15 32
Phillips Petrol 14 88	200	947 953	+07, 1+07, 15.32 +03, +04, 15.18
R.J. Rynide. 0/S 0.0 92	400	267. 27	+04 0 14.54 +04 +04 15.59 +04 -04 15.31
Saakatchawan 1B 89	125	1014 1014	+0% +0% 15.58
Shell Canada 14% 92	125	95 95	+07 -07 15.31
Bpsin 16% 87	100	301 3014	10 9 15.92
Buperior 0/5 Fin. 14 88	125	93% 94%	+0% 0 15.45 +0% +0% 15.63
6wed. Exp. Cr. 15% 89 Bwed. Exp. Cr. 14% 50 5wed. Exp. Cr. 0.0 94 Tesas Eastern 15% 89	100	98 96 ¹	+0% +0% 15.63
Bwed. Exp. Cr. 144, 50	100	337, 347	+0" +0" 16.12 +0" +0" 14.67
Taxas Factors 153, 20	200	101 1013	+0-2 +0-2 14.87
Union Carbide 143, 00	150	PT 971	101 101 45 00
Union Carbide 143 88 Welle Fargo I. F. 15 87 World Bank 143 87 World Bank 154 88	75	974 984	+03 +03 16.56 +03 +03 16.44 +03 +05 15.53
World Bank 144 87	500	961 961	+0- +0- 16.44
World Bank 154 88	250	981, 90	+03 +05 15:53
Average proce chang	104 C		
DEUTSCHE MARK		i	Change on
STRAIGHTS	issued	BIG Offer	day week Yield
Asian Osv. Bank 95 92	150	1073, 1021	day week Yield
Austria SL 92	100	95 65	+04 TV4 0.83
Asian Oev. Sank 9½ 92 Australia 9½ 51 Austrie 8½ 92 Barclays O/B In. 8½ 94 Bowater Int. Fig. 8½ 89	200 100 100	951, 951	00. 9.0
Boweter Int. Fin. 84. 89	60	955 990	+05 +05 5 33
Canada 81, 89	200	1014 102	+0"- 1+0" B.14
Comp. Tel. Esp. 104, 92	100	1005 101	day week, yield +0'- 0 2.40 1+0'- 0 8.13 +0'- 0 9.12 0 -0'- 9.00 +0'- +0'- 5.33 +0'- 1+0'- 8.14 0 -0'', 10.35 10.34
Canada 81, 89	100 100	26 961	0 -07 10.35 +07 -07 0.34 +07 -07 9.86 +07 0 9.78
Denmark 10° 92 EDF 6° 92		1024 1034	+00- 9.66
EDF 6's 92	100	1007, 1007	+0- 0 9.78
EIB 83 92	.100	.95 .95	+04. 0 0.12.

OTHER STRAFGHTS | squed | Bid Offer day week Yield | Bell Caracia 12 83 CS... | 100 | 197 | 9772 | +0% | 0 | 18.54 | Cara. Fec. S. 16% 89 CS | 50 | 1972 | 58 | +0% | +0% | 12.50 | Crd. Fonciar 17% 89 CS | 30 | 1992 | 59% | 99 | 0 | 0 | 17.53 | Gaz Matro. 17% 90 CS | 20 | 1963 | 5772 | 59% | 0 | +0% | 18.59 | CS | 1973 | 59% | 0 | +0% | 18.59 | CS | 1974 | 59% | 0 | +0% | 18.59 | CS | 1974 | 59% | 0 | +0% | 18.59 | CS | 1974 | 59% | 0 | +0% | 18.59 | CS | 1974 | 59% | 1974 | 0 | +0% | 18.59 | CS | 1974 | 1974 | 0 | +0% | 10.50 | CS | 1974 | 10.50 | CS | 100 | 100 | +0% | +0% | 10.50 | CS | 100 | 100 | +0% | +0% | 10.50 | CS | 100 | 100 | +0% | +0% | 10.50 | CS | 100 | 100 | +0% | +0% | 10.50 | CS | 100 | 100 | +0% | +0% | 10.50 | CS | 100 | 100 | +0% | +0% | 10.50 | CS | 100 | 100 | +0% | +0% | 10.50 | CS | 100 | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | CS | 100 | +0% | +0% | 10.50 | 10.50 | CS | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10

FLOATING RATE

NOTES

Alised Irish 5½ 92 0½ 68 9P; 16/10:15.89 15.97 8k, of Tokyo 5; 91 (0) 0% 987, 991, 16/10:15.89 15.97 8k, of Tokyo 5; 91 (0) 0% 987, 991, 16/10:15.89 15.97 8k, of Tokyo 5; 91 (0) 0% 987, 991, 16/10:15.89 15.97 8k, of Tokyo 5; 91 (0) 0% 987, 991, 16/10:15.89 15.97 8k, of Tokyo 5; 91 (0) 0% 987, 991, 16/10:15.89 15.92 8FCE 5½ 83 0% 991, 991, 291/10:15, 15.17 9FCE 5½ 87 0% 991, 991, 291/10:15, 15.17 9FCE 5½ 87 0% 991, 991, 291/10:15, 15.18 15.48 CCPME 5½ 802 0% 992, 991, 17/10:15, 15.47 15.97 CCCE 5½ 2002 0% 992, 991, 17/10:15, 15.47 15.97 CCMIT Agricole 5½ 87 ... 0% 992, 291, 17/10:15, 18.59 Credit Quincular 5½ 97 ... 0% 992, 291, 22/9 16.63 18.79 Credit Quincular 5½ 97 ... 0% 992, 291, 16/10:18.89 18.96 Credit Nat. 5½, 94 ... 0% 992, 291, 17/10:15 18.18 18.96 Credit Nat. 5½, 94 ... 0% 992, 291, 17/10:15 18.18 18.96 Credit Nat. 5½, 94 ... 0% 992, 291, 17/10:15 18.18 18.96 Credit Nat. 5½, 94 ... 0% 992, 291, 17/10:15 18.18 18.96 Credit Nat. 5½, 94 ... 0% 992, 293, 25/2 14.85 14.91 Long Jerm Cred. 5½, 97 ... 0% 992, 293, 25/2 15.44 15.59 Irisland 6½ 89/84 ... 0% 993, 25/2 25/11:14% 14.97 Kansallis Oaste 5½ 92 ... 0% 993, 25/2 17/2 17/3 14.85 14.91 Long Jerm Cred. 5½, 97 ... 0% 993, 25/2 17/1 15.31 18.47 14.99 Kansallis Oaste 5½ 92 ... 0% 993, 25/2 17/2 17/3 14.89 14.89 Nippon Credit 5½ 97 ... 0% 993, 25/2 17/1 15.31 18.47 14.99 Nippon Credit 5½ 97 ... 0% 993, 25/2 17/1 15.31 15.95 992, 29/2 10/2 18.96 15.96 15.96 992, 29/2 11/2 15.31 15.95 992, 29/2 11/2 15.31 15.95 992, 29/2 11/2 15.31 15.95 992, 29/2 11/2 15.31 15.95 992, 29/2 11/2 15.31 15.95 992, 29/2 11/2 15.31 15.95 992, 29/2 11/2 15.31 15.95 992, 29/2 11/2 15.31 15.95 992, 29/2 11/2 16.95 15.95 992, 29/2 11/2 16.95 15.95 992, 29/2 11/2 16.95 15.95 992, 29/2 11/2 16.95 15.95 992, 29/2 11/2 16.95 15.95 992, 29/2 11/2 16.95 15.95 992, 29/2 11/2 16.95 15.95 992, 29/2 11/2 16.95 15.95 992, 29/2 11/2 16.95 15.95 992, 29/2 11/2 16.95 15.95 992, 29/2 11/2 16.95 15.95 992, 29/2 11/2 16.95 15.95 992, 29/2 11/2 16.95 1

CONVERTIBLE Cnv. Cnv.

Conv. Cnv.

Conv. Cnv.

Conv. Cnv.

Conv. Cnv.

Conv. Cnv.

Conv.

Con

EUROBOND TURNOVER

(neminal value in \$m) Previous week 5,083.9 Other bonds 1,103.1 726.4 Last week..... Previaus week

> * No information availableprevieus day's price. supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date shown is immumi. Cate=Date next coupon becomes effective. Spread=Margin above six-month. offered rate (‡three-month: § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yid.=The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

most recent price of the sbares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the part week were supplied by: Kredietbank NV; Credit Commercial de France; Credit Lyonnais; Commercial AG; Westdeutschs Landesbank AG; Westdeutschs Landesbank Girozentrale; Banque Generale du Luxembourg SA; Banque Internationale Luxembourg; Kredietbank Luxembourg; Kredietbank Luxembourg, Kredietbank Luxembourg, Algemene Bank Nederland NV: Pierson, Heldring and Pierson, Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland:
Akroyd and Smithers; Bank
of Tokyo International; Bankers
Trust International; Chase Man Trust International; Chase Manhaman; Citicorp International Bank; Credit Commercial de France (Securities) London; Daiwa Europe NV; Deitec Securities (UK); EBC; First Chicago; Goldman Sachs International Corporation; Hambrus Bank; IBJ International; Kidder Peabody International; Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Nikko Securities Company (Europe); Orion Royal Bank; Samuel Montagu and Co.; Scandinavian Bank; Societé Generala Strause Turnbull; Sumitomo Finance International; S. G. Warburg and Co.; Wood 5. G. Warburg and Co.; Woo

Closing prices on July 9

Imperial Group subsidiary posts

IMPERIAL BREWING AND LEISURE, part of the Imperial Group, has made the following appointments: Mr Brian F. Baldock, marketing director; Mr Michael N. F. Cottrell, managing director. Courage; and Mr John S. Smale, personnel director. Mr Mark Cornwall-Jones, a non-executive director, intends to retire from the board on October 31. On August 31 Mr James N. 31. On August 31 Mr James N.
Shaw will be joining imperial
Brewing and Leisure as director
of property development from
the John Lewis Partnership.

Mr Fausto Cereti, managing director of Aeritalia of Italy has been appointed chairman of the Panavia board of directors. The chairmenship of Panavis rotates between the three parent com-panies — British Aerospace, Messerschmitt-Bolkow-Blohm and Aeritalia. The previous chairman was Professor Gero Madelung, managing director of Messerschmitt-Bolkow-Blohm.

Panavia Aircraft is a tri-national. European industrial company formed to design, de-velop and produce the all-weather, swing-wing Tornado combat aircraft ordered for the air forces of Britain, Germany, Italy and the German Navy.

Dr John Howard, a former director of development of In-dustrial and Forensic Science, Northern Ireland, has joined the board of CREMER AND board of CREMER AND WARNER consulting engineers

SEIKO TIME (UK) has appointed Mr Nigel Southon neral manager, responsible for

Mr Alan Protheroe, assistant director-general of the BBC, and Mr Alan Hart, controller, BBCl, have heen appointed to the board of directors of VISNEWS, the international television news agency and communications com-Agency and communications company. They succeed Mr Richard appointed part-time non-francis, formerly the BC's director of news and corrent AND THE MARCHES POSTAL affairs who is now managing BOARD.

A. 9.30
sad Robey. 318-328. Southbury
Enfield. Middx, 11.00
Parker, Avistors Fark
Fron. Arundai. W. Sussex, 12.00
IFrank G.J. Prince Regent ResR. Woodford Green, Essex, 12.00
(Amos). Master Road. Thornaby,

Gates IF/26K G.), Prince regent acturance, Woodbord Green, Essex, 12.00 Hinton (Amos), Master Road, Thornaby, Lieveland, 2.39 Hunting Associated Inds., 243, Knights-artigs, S.W. 12.30 Inv. Tst., Editora Hobel, Groavenor Square, W., 12.15 Square, Editorgh, 2.15
Square, Editorgh, 2.15

darinus (A.) enk Organisation
DIVIDEND & INTEREST PAYMENTS—
ONUSIONE Hidgs 3.5p
Little (A.) DO 1.2432p
Little (A.)

BOARD MEETINGS-

Wilson, controller, international relations. Another new appoint that of Mr Peter Smith, who is Reuters' international com-

munications manager, Europe. The third BBC member of the Visnews board, Mr Michael Checkland, director of resources -television, has been elected deputy chairman of Visnews in succession to Mr Richard Francis. The BBC and Reuters are each one-third owners of Visnews, in which the other sharebolders are CBC (Canada), ABC (Australia) and BCNZ (New Zealand).

DUNLOP has appointed Mr Charles Anthony Borlace a director of the Grimsby-based and marine division. Mr Borlace became general works manager of the car tyre division at Firt Dunlop in Birmingham

Mr Ian S. Durrell has been appointed to the new post of general manager of European operatione for the SOFTWARE PRODUCTS GROUP (SPG) of Informatics General Corporation. Mr Durrell will be responsible for the marketing and support of software products sold in all European markets plus the Middle East and Africa. Currently headquartered in Geneva, he will be moving to London court the past is weather. London over the next six months. Recently Mr Durrell was hased in the U.S. as director of market planning and support for both American and European markets.

Mr David Fielden has been appointed to the board of THE HERITABLE AND GENERAL TRUST with overall responsibility for the treasury and administration functions.

Mr Prys Edwards and Mr

mainly on last year's timetable.

Citicorp Overseas Finance Coron. N.V. Gtd. Fitc. Rate Notes 1982 \$391.81 Gates (Frank G.1 2.55 Hay (Norman) 1.85p Proserty Hidgs and Inv Tst 2.15p

WEDNESDAY JULY 14
COMPANY MEETINGS—
pricultural Mortgage Corp., Bucklersbury
lousd, 3, Opeen Victoria Street, E.C.

Winchester House, 77, London E.C., 12-00 Mills. Glasgow, 12-00 sous Stationery. Great Eastern Liverpool Street, E.C., 12-00 of Stamphag, St. Richard's House, 14 Square, prottwich, Worce,

st, 117, Old Broad Street, E.C.

Inv Tst., Electra House, Temple Victoria Empankment, 2-15

(John), Black Dyke Mills, Queen-Brandord, 12.30 and Overseas Freighbers, Baitic 198. St. Mary Axe, E.C. 11.00

INTEREST PAYMENTS

nty Inv Tst 1.55s 125pc 1993 84pc Stk 3pc 1997 £1.5453. Do 13pc

Founders Court, Lothbury

THURSDAY JULY 15

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official

indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based

Christia-Tyler

Dowly Firth (G.M.)

howden Grp.
London and Midland Inds.
Merling Inds.
Od and Assoc. lav. Tst.
Symponds Eng. g.

This week's business in Parliament

BY ERIC SHORT

· TODAY Commons: Finance Bill, remaining stages. Motion on the Coal Industry (filimit on Grants)

Lords: Employment Bill, Com-mittee, Excise Duties (Deferred Payment) Regulations 1982. Committee: Affairs-Subjects: Racial Dis-

advantage. Witnesses: Rt Hon Sir Keith Joseph MP, Secretary of State for Education and Science; Sir George Young, Par-lismentary Under-Secretary of State, Department of the Environment (Room 15, 10,30 am).

Treasury and Civil Service Subject: International Monetary Arrengements. Witnesses: HM Treasury officials and Confed-eration of British Industry (Room 15, 4.30 pm). TOMORROW

Commons: Finance Bill, remaining stages.
Lords: Employment Bill, Committee. Town and Country Planning (Minerals) Regulations
1982, approval motion.

WEDNESDAY Commons: Debate on an Oppo-sition motion on the failure of the Government's regional and industrial policies, motion on Industrial Development (Northern Ireland) Order.
Lords: Transport Bill, Committee. Clergy Pensions (Amendment). Measure and Pastoral

(Amendment) Measure. Select Committees: Education Science and Arts—Subject: The future of the British Theatre Museum. Witnesses: F. G. Museum. Burrett; Viscount Norwich, past chairman, Theatre Museum; A. Schouvaloff, keeper; Sir Roy Strong, director Victoria and Albert Museum (Room 6, 10

Home Affairs-Subject: Home Office procedures for the investigation of possible miscarriages of justice. Witness: Criminal Bar Association (Room 8, 11

Employment — Subject: Employment Creation. Witness:

as and Crosheld. Open's Room. Exchange, 14-20, 54 Mary Axe,

72.00
niroyal, Heathhnil Works. Heathhall,
Dumfries, 10.30
nired Engin. Inds., Connaught Rooms,
Great Queen Street. W.C., 12.00
BOARD MEETINGS.—

IVIDEND & INTEREST FAYMENTS-ricultural Mortgage Corpo. 64000

Secs Tst CapPtgPf 2.75p ovt Secs 13.
Pf 2.75p
Electrical Inds Db 33spc
W South Wales 12cts

Department of Employmen (Room 8, 4.80 pm). Committee on a Private Bill London (General Powers) (No.

2) Bill (Room 9, 4 pm). THURSDAY Commons: Supply debate on the Common Fisheries Policy. Motions on the Army, Air Force and Naval Discipline Acts (Continuation) Order.

Lords: Local Government and Planning (Scotland) Bill; Report Merchant Shipping (Liner Conferences) Bill, Com-mittee. Stock Transfer Bill, Planning Report.

-Subject: Supply Estimates Brian Hayes, Permanent Secre-tary, Gordon Wilson, Under-Secretary, Ministry of Agricul-ture, Fisheries and Food (Room 16, 11 am).

FRIDAY Commons: Motions on Northern Ireland Orders, Appropriation (No. 2) and agricultural devel-Derelict Land Bill Lords:

Meals guide for non-smokers

Third Reading.

THE Association of Non-Health Group has published the first guide in Britain to eating places which offer accommoda

"The Good Air Guide to Eating Places in Edinburgh and Scotland" includes reviews of clean-air restaurants, cafe terias, tea rooms, coffee shops, fast food establishments, refectories and hotel dining rooms Nineteen forbid smoking; sever provide a separate dining room for non-smokers and 33 offer separate sections or tables for people who prefer smoke-free air while eating.

Western Inv Tst 4-pcPf 1.875pc.
Spc
Westminster Fin BV Gdfftg
p Notes 1991 5281.80
Ince Water Dis 2 24 24 3-pc
Indl. Improvement Tst 20
t Infnl. Finance NV is BV Spc
Iss/T496 4-pc, Do. 16-pc
Iss/T496 8-pc
Iss/T496 8-pc
Is-frin Corns 82.5cb

Street, Manchester, 11.30 Flembig Universal I.v. Tst. 122, Leaden-holl Street, E.C., 3.00 Hambrins Inv. Tst., 41, Bishopsgate, E.C., 12.00 Invs 2.3p c Exchange, 14-20, 56, Mary Axe, 11.15
r (Thomas), Church Street, Warring11.00 London and Provincial Tst., 122, Landen-hall Street, E.C., 2.15 Plysu, Great, Eastern Hotel, Liverpool Street, E.C., 12.00 Rowllmool

FRIDAY JULY 16
COMPANY MEETINGS—
eles (John) Assoc, Boulevard

Strist - Evening Post

DIVIDENO & INTEREST PAYMENTS—
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Ariow Rand 21cts
exies (John) Assoc, 1p
2021 India 0.5p
2022 India 0.5 Hows McDaegall 1.524p Hows McDaegall 1.524p Nor Serurities 0.425p Nov 8.8p

position of the control of the contr To 8-8p To 8-8p Engraphics Inv 0.2p le Inv 0.875p Consumer Service 0.5p SATUREAY JULY 17
DIVICEND & INTEREST FAYMENTS-



REPUBLIC OF AUSTRIA

US\$400,000,000 Medium Term Loan

Lead Managed by Creditanstalt-Bankverein

Girozentrale und Bank der österreichischen Sparkassen AG Algemene Bank Nederland N.V. The Bank of Tokyo, Ltd. The Dai-Ichi Kangyo Bank, Limited

IBJ International Limited Morgan Guaranty Trust Company of New York

Standard Chartered Bank PLC

Managed by

Co-Managed by

Provided by

The Fuji Bank, Limited

The Mitsui Bank, Limited

The Kyowa Bank, Ltd.

The Sanwa Bank, Limited

Algemene Bank Nederland N.V.

Bankfür Oberösterreich und Salzburg

Genossenschaftliche Zentralbank AG

Interamerican Bank Corporation S.A.

The Kyowa Bank, Ltd.

Nederlandsche Middenstandsbank N.V.

The Long-Term Credit Bank of Japan, Limited

Gulf International Bank B.S.C.

The Mitsul Bank, Limited

Österreichische Postsparkasse

The Sanwa Bank, Limited

The Talyo Kobe Bank, Limited

Österreichisches Credit-Institut, AG

Sumitomo Finance Overseas S.A.

Banque internationale à Luxembourg S.A.

Australia and New Zealand Banking Group Limited

Alldemeine Sparkasse, Unz

The Bank of Tokyo, Ltd.

Citibank (Austria) A.G.

Crédit Agricole

Credit du Nord S.A.

Daiwa Europe N.V.

Österreichische Postsparkasse

The Taiyo Kobe Bank, Limited

Guif international Bank B.S.C. Manufacturers Hanover Limited

Citicorp International Group

Österreichische Länderbank

Amsterdam-Rotterdam Bank N.V.

Genossenschaftliche Zentralbank AG,

Sumitomo Bank Merchant Banking Group

National Westminster Bank Group

Bankfür Arbeit und Wirtschaft. Australia and New Zealand Banking Group Aktiengesellschaft Banque Internationale à Luxembourg S.A. Crédit Agricole

> The Long-Term Credit Bank of Japan, Limited Nederlandsche Middenstandsbank N.V. Österreichische Volksbanken-Aktiengesellschaft

> Zentralsparkasse und Kommerzialbank, Wien-

Österreichisches Credit-Institut, AG

The Sumitomo Trust and Banking Co., Ltd.

Aligemeine Esässische Bank AG (Sogenal) Amsterdam-Rotterdam Bank N.V. Bankfür Arbeit und Wirtschaft, Aldiengesellschaft Bankfür Tirol und Vorarlberg Aktiengesellschaft Banque Franco Allemande S.A.

Central Wechsel- und Creditbank AG County Bank Limited Creditaristalt-Bankverein The Dai-Ichi Kangyo Bank, Limited

The Fuji Bank, Limited Girozentrale und Bank der österrelchischen Sparkassen-AG

The Industrial Bank of Japan, Limited International Westminster Bank PLC F. van Lanschot (Jersey) Limited Manufacturers Hanover Trust Company Morgan Guaranty Trust Company of Österreichische Länderbank

Salzburger Sparkasse Standard Chartered Bank PLC The Sumitomo Trust and Banking Co., Ltd. Zentralsparkasse und Kommerzialbank wien

Creditanstalt-Bankverein

Österreichische Volksbanken-Aktiengesellschaft

Issue of U.S.\$75,000,000 Floating Rate Capital Notes due 1992

The Issue Price of the Notes is 100 per cent. of their principal amount.

The following have agreed to subscribe or procure subscribers for the Notes:

Morgan Grenfell & Co. Limited The Investment Bank of Ireland Limited **Morgan Guaranty Ltd**

Bank of Tokyo International Limited Crédit Commercial de France

Citicorp International Group Credit Suisse First Boston Limited Goldman Sachs International Corp.

European Banking Company Limited Menufacturers Hanover Limited

Orion Royal Bank Limited

Morgan Stanley International

Saudi International Bank

Sumitomo Finance International

The 7,500 Notes of \$10,000 each constituting the above issue have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the Notes. Interest on the Notes will be payable semi-annually in arrears in each January and July commencing in January, 1983.

Particulars of the Notes are available in the statistical services of Extel Statistical Services Limited and may be obtained during usual business hours up to and including 28th July, 1982 from the Brokers to the issue:

Cazenove & Co., 12 Tokenhouse Yard, London, EC2R 7AN.

Powell Duffryn

Well equipped to seize future opportunities

* Trading profit of £19m maintained at last year's level.

* Dividend unchanged.

* Profit before taxation £12.5m, down 11%, reflecting higher interest charges on increased capital employed.

* High level of capital expenditure continuing with emphasis on overseas expansion.

* Our corporate objectives and strategy remain unchanged-to maintain a balanced diversity of industrial activities, concentrating resources and investment where skills and experience lie, and to increase geographical spread while maintaining a strong UK trading base.

* Knowing that the company is equipped to seize the opportunities which will undoubtedly arise we view the future with some confidence.

Sandon, Chairman

	·		4		S OF RESULTS ———			•
Divisional	Tur		Trading		Geographical	•	Trading	
	1983	1981	1982	1981	. •		1982	1981
	£m	£m	£000°	£0 0 0			£000	£000
Engineering	82	<i>7</i> 9	3,836	4,639	United Kingdom		13,893	14;54
Shipping	113	105	3,718	3,451	Cont. Europe		1,056	1,89
Bulk Liq. Stor.	15	12	4,320	2,987	N. and S. America		2,003	2,09
Fuel Distrib.	290	238	6,324	6,832	Aust. and Far East		1,530	1,02
Const. Services	86	75	940	1,944	Africa & Mid. East		656	29

Powell Duffryn is an industrial holding company with subsidiaries engaged in engineering, distribution and transportation, principally related to the energy, shipping, chemical and construction industries

From its origins in coal in South Wales, Powell Duffryn. has become one of the larger diversified companies in the United Kingdom. Substantial investment has been made overseas and the Group profile is increasingly visible across the

Powell Duffryn's five divisions - Engineering, Shipping, Bulk Liquid Storage, Fuel Distribution, Construction Services -arcell specialist in character and of a significant size in their

If you would like a copy of the Annual Report, which includes a comprehensive survey of Powell Duffryn's activities, please write to the Secretary, Powell Duffryn pic, 5 Stanhope Gate, London WIY 6LA.

Powell Duffryn

building system

For Offices, Pactories,

UK CONTRACTS

DOUGLAS GROUP associated

companies have collected £20m

worth in the Middle East.

A major scheme in Saudi

Arabia for the construction of a

residential and management complex near Jeddah has been

awarded to Al-Esayi Saif Norman Douglas by the Arabian Cleans-ing Enterprises. This is valued at 85m Saudi riyals.

This company also has a 10m

rival contract from G R C (Saudi

Arabia) for a factory on the Riyadh Industrial Estate.

In Oman, work has started at Al Khohd where Douglas-OHI LLC has undertaken the construction of 300 low cost bomes

with a contract value of 3.75m Omani rials for Oman Shapoorji

OVERSEAS

BUILDING AND CIVIL ENGINEERING

THE ERITISH government is investigating the possibility of funding part of lis road programme through private finance raised by contractors afrom city institutions. Mrs Thalcher is said to he very question for the construction industry is whether any such scheme would in fact generate extra funds for road building.

The problem facing the Transport Department is to convince the Treasury paymasters that any money raised should be regarded as additinnal to the Department's annual expenditure hadget-£702m to 1982/83-for motorways and trunk roads,

Mr David Howell, Trans--port -Minister, has already said that scheme will not he worth pursuing il it will unt produce extra money and is simply to be regarded as an alternative to direct public investment by the government. There is clearly a gap hetwern the thinking of the Transport Department, and that of a Treasury determined to control public expenditure.

The Transport Department's proposals, set out in a consultative paper last month, would allow the Government to huy roads on hire purchase. Contractors would be pald:
"hy some form of royalty related to the amount of traffic using the road."

Payments would be staged ver a number of years. The Department has suggested 15 years as a reasonable period. Contractors backed by privately arranged finance, a consortium being one option, would be responsible for constructing and maintaining the road. The contractor's return would come from royalties suread over the life of the arrangement and met out of the public purse.

Motorway tolls have been ruled out in this country ecause of the problem of collection — there would be so many alternalive "toll free" roads for motorists to choose from. The large number of intersections on Brilish motorwould also creale

Contractors huilding roads with privately raised finance, however, are likely to want guarantees from the Brilish Government. These would provide for a minimum rate nf return should traffic flows not reach projected levels. Similar systems operate in France and Spain where some development consortiums on

newer roads bave heen hit hy

rising interest costs and by

A. R. of Egypt Australia

Czechoolo rakia Denmari:

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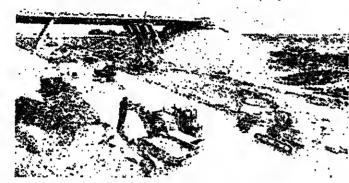
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KONISHIPOKU PHOTO INDUSTRY CO. LTD.

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Private cash for roads: Can it work?

BY ANDREW TAYLOR



Construction work on the M30-will projects like this ever be financed by private capital?

the impact of successive fuel prices Increases, which have meant less motorists than expected.

This question of guarantees could provide the main stumbling block to arriving at an amicable agreement hetween lhe Transport Department, the Treasury and the contractors over the definition of what should class as public expenditure, and what mhigh he allowed as extra expenditure outside annual road budget.

The Treasury, so far, insists that contractors must accept an element of risk in private financing arrangements if this is to be classed as allowable expenditure outside of established public spending cash

The Treasury's hand can be seen in several key sections of the Transport Department's consultative paper, sent to the Federation of Civil Engineering Contractors and seven of the country's larger read building companies.

The paper states: "The Department envisages a flat rate of payment per vehicle throughout the contract period with no indexation to

COMPANY NOTICES

The Neiherlands Spain
Now Zealend Swidon
Norvey Switzerland
Rep of Norca United Kingdom
Romania US of America
Singaphie Zambia

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS

(EDRs) IN

SUMITOMO ELECTRIC INDUSTRIES LTD.

Further in our natice of March 15, 1982, EOR holders are informed that Sumitions Electric Industries Ltd. has sold a devidend to noticers of record March 31, 1982. The cash dividend payable is Yen 2 per Common Stock of Yen 80.00 oer shere. Pursuant to Clause 8 of the Occast Agreement the Deposits Agreement the Deposits Agreement the Deposits agreement to States Onliars. EOR helders may now present Coupon No. 2 for payment to the undermentioned egents.

Demonstrate of Marky value of the Common of

Systems to the neglige of March 15, 1982 expecting the free distinguishment states to new top peer 10 olds, EDR moders are informed ton; the new topic set to new topic for delivery and though a thorned ton; the new topic site to Decompassive or the Agent SDRs will not be induced. Such that Decompassive or the Agent SDRs will not be induced in Agriculture Coupers and Industrial Terms and EDR moders will not operated on the half of the continuous of the Industrial Industrial Conditions.

lake account of price changes after construction . . . The Government would not envisage giving any guarantees about minimum levels of revenue... The Department is inclined to take the view that, once fixed, the royalty should not be varied to take account of price rises during construction but further considercation needs to be given to how variations ordered by

claims should be dealt with. If these views hold, then the cost of finance might be expected to rise proportionalely to the risks helps undertaken, particularly as the contractor will be financially responsible for repairs and maintenance throughout

the engineer and contractors

the royalty period. "The contractor would be assuming a liability to carry oot an unknewn amount of work, 10 or 15 years ahead, at an unknown, but possibly much higher, level of unit costs in cash terms than applies new, and his tenner would obviously reflect this uncertainty. This might well make the royalty method of finance considerably more expensive than the conventional one," says the Depart-

Tarmac, one of the seven contractors approached by the denariment—the others are Cementatioo, Costain, R. M. Douglas, John Laing, Mowlem and Wimpey - has been a prime mover behind pro-

posals to allow private sector finance for road construction. Mr Neville Soper, assistant managing director of Tarmac Construction, is clear about the types of road schemes that would be suitable for private finance: "These would have to be schemes on which traffic flows are not dependent on the completion of other reads or adjoining sections. There would have to be a reasonable expectation of the sert of traffic flow that would justify investment."

Road schemes which could fit Tarmac's definition of a "Suitable road" might include the planned £35m section of the M25 linking Swanley and Dartford. The proposed £50m A1 (M) link etween Roestock and Stanborough (currently subject to an inspector's report) might another "suitable road."

Tarmac has also produced some preliminary studies of the royalties which contractors might expect. Depending upon Individual circumstances these could work out at around 15p to 20p per vebicle mile 15 years on a traffic volume of around 25,000 to 30,000 vehicles a

Contrartors' support for any scheme will largely be based on the stance that this should lead to increased annual expenditure on roads -an understandable view. ziven the sharp drop in con-struction workloads in the last

Contractors may also welcome the opportunity to become more closely involved with the design of roads which they have to hulld. Financial responsibility for the mainlenance and upkeep of roads may lead to hetter quality and more efficient

For a government seeking greater private sector involvement in areas which have heen the preserve of the public sector the proposals are politically very attractive. It hopes that one or two test schemes might be started next year. However, it is difficult to see the proposals having any material impact on the road construction programme other than, at best. one or two well poblicised

A new look at funding problems

were not built for socio-economic reasons or within the context of a coherent network of road transport-rather that they were hullt in those areas which private entrepreneurs to their believed to be the highest pames. density roules and therefore. The c capable of the quickest return on capital.
Thus there is only one short

stretch of toll motorway out of the capital, Madrid, north towards Valladolid; and the main motorway network is in the Basque country, Aragon and Catalonia. The motorways are run by

private concession companies. The concessions, until now, have been awarded on the basis of a tender in which the tendering group offers its estimates of cost of construction, ability to repay and the rates to be

SPAINS TOLL motorways were begun in the Franco era and reflect the mix of private initiative backed by state aid characteristic of the Francoist Of Europistas, a consortium in change risk fluctuation. I sing UK has a 28 per Toll payments were the potential concessionaire to a state guarantee and, more im-even offer alternative routes. portantly now with the decline Sebastian motorway, all conces-

> The concessionaire companies have been formed with kimited, but highly geared capital. This

mercial and savings banks were obliged to set aside a proportion of deposits to be placed in state directed investment at low in-

Approximately 50 per cent of state bears the main rights.
the finance, in particular any ROBERT GRAHAM

SPAIN'S TOLL motorways were charged This allows initiative to funds borrowed abroad, carried the state to cover foreign ex-

change risk fluctuations. which Laing UK has a 28 per Toll payments were geared to cept stake, for the Biforo-San cover maintenance, loan repay Toll payments were geared to ments and dividends to sionaire groups have involved shareholders. This form of fin-Spanish commercial banks ancing was conceived essen-which in turn have been linked tizely before the 1973 oil price to their own construction com- rises, high interest rates, and

Spanish financial system.

It encouraged some speculative toll motorways like Sevillewas because funding of motor-ways was considered to be a priority by the Franco govern-ment and soft funds were eas-ily available.

Heulva or Seville-Cadiz, which have not generated traffic. But now, with a more liberal finan-cial system and drastic change in interest rates, the quantity Soft funds came from the of soft finance has evaporated system of "privileged circuits" and consequently the building —a system whereby the comprogramme has merely involved completion of existing projects.

There is also some concern that there might be a political change of heart about a private

enterprise system in which the

IN A joint venture with local contractor COUSA. GEORGE WIMPEY INTERNATIONAL has

won £6.4m from the Empresa Nacional De Puertos (National Port Authority) at Matarini, Peru. Starting this month, with com-pletion scheduled for July 1984, the work comprises site investi-gation and the design and con-struction of a new berthing face to the existing 540 metre long wharf.

FRENCH KIER Group announces the £6m award of three furthe education-related projects in Malawi for subsidiary ompany W & C French (Malawi).

These are the Natural Resources College at Likuni and shcools at Chiradzulu and Euthini. Work includes provision of classrooms, staff and student accommodation, water and sewage installations and roads.

UK CONTRACTS

THE FIRST phase of developing Derby City Hospital into a full district general hospital is worth £12m in contract value to HENRY BOOT.

Work will consist of a main hospital building of 19.600 square metres on a green field site with provision for 102 heds for gynaecology and female surgery, 140 maternity beds, 32 cots in a special care baby unit, five operating theatres, plus supporting out-petients, x-ray rooms, ante natal clinic and other services.

UK WORK for WIMPEY includes a £5.1m award for a leisure centre complete with pool and 2,000 seater multi-purpose hall to be huilt at Newport. Gwent for Newport Borough Council.
This will be undertaken on a management fee basis and hullt

on piled foundations incorporating a steel frame.

A MULTI-STOREY car park worth £1.3m at liford, Essex, has MOWLEM whose work for the Borough of Redbridge involves constructing a five-storey 10-level park with a single-storey admin building.

TURREF has a film award from the Severn Trent Water Authority for an extension to its water treatment works at Tewkesbury.

SHEPHERD CONSTRUCTION has started work on a £3.2m contract from Yorkshire Regional Health Authority on an energy centre at Staincliffe Hospital.

AWARDS WORTH more than f2.5m for STREETERS include a Elm-plus site development at Morley Greaseworks for West Yorkshire Metropolitan County

BELGIUM

Motorway programme nears end

BELGIAN POSSESSES arguably austerity cuts nn public spendthe best-developed and most ing, reviewed the case for tolls efficient motorway network in Europe. Since work on it was launched in earnest in 1955, the France and Italy would be improved in the words of the case for tolls in 1983 rise to BFr 325m.

The financing methods used have been, in the words of the case for tolls. system has cost some BFr 225bn in central government spending and a further BFr 120hn in municipal State - supported

spending.
Successive Belgian governments have pondered a variety of schemes for funding the country's soaring highway costs threaten through tolls and special traffic through vignette" or licence disc of Europe." systems for motorway users. And each, in turn, has rejected such ideas on the grounds that they would be difficult to police and in any case would make only a minimal contribution to Belgium's motorway costs.

as in The financing methods used be im-have been, in the words of which Belgian officials. "classic." practical on mntorways which in Belgiam officials. "classic." in Belgium, have three to four bonds are issued by the governments as many access points as is usual elsewhere, while the use of "vignette" display tax domestic capital market, and discs for motorway motorists was nnl only politically nn-raising of BFrs 30hn a second acceptable but also might tranche to cover 1982 costs will threaten the international traffic through the "cross-roads

The country's road transportation budget has become a micro-cosm of Belgium's sickly state finances-interest payments on loans raised to fund construction during the hoom mntorway huilding years now costs more present government, than current spending. This year is imposing tough the latter figure stands at

be issued through the France Ministry during the antumn. Road construction has had considerable impact on Belgium's construction industry.

following last February's raising of BFrs 30hn a second

however: contractors have been warned to start running down their road-building operations ahead of the completion of the present motorway programme in

GILES MERRITT

FRANCE

Three-pronged approach to finance

FRANCE has adopted a basic are mainly public entities such certain sections of the toll three pronged approach, com- as departments and municipalihining a mixture of private and ties, have the right to raise public sector finance, to fund its revenue by charging tolls. The road network which extended to autoroute companies also re-

started to develop its motorway network in the early 1950s. To complement its own efforts. It devised a system of offering concession to autoroute companies to construct and operate secsions traditionally run for 30

minimum rate of return.

Caisse Nationale Des Autoroutes (CNA). This in turn raises finance from both domestic and international sources.

. The five autoroute companies, the government has also granted motorways in around established between 1956 and concessions to four privately urhan centres are state roads.

1963 and whose shareholders owned consortia to construct

A.T.

motorway system: These do not receive loans from CNA or noninterest bearing loans from the Government—they do, however, more than 380,000 kms of ceive financial support in the have state guarantees for some national and departmental roads form of substantial non-interest of their private sector borrow bearing loans and government ings.

The French Government guarantees providing for a At the beginning of 1981. have state guarantees for some

approximately 46 per cent of Funds for the five autoroute limited access motorways in companies are provided by the service in France were toll motorways of the autoroute companies, 23 per cent were toll motorways of the private companles and the remaining 31 per In addition to the autoroute cent were direct state funded companies, and its own efforts, toll-free roads. . Most of the

UNITED STATES Where the motorist's money goes

ALMOST 60 per cent of the purposes of the purpose of the purposes of the purpose of the p directly from road users in the form of gasoline taxes, motor registration fees and taxes on

ear components such as tyres. According to the Washington hased Highway Users Federation most state authorities charge taxes or "user fees" on each gallon of petrol sold. Across the country this averages ous at ground 10.2 cents a gallon. Some states put this money mio a "dedicated fuod"

funds for roads.

States can also raise finance for local roads from property taxes and from motor registration fees.

financed mainly through the Federal Highway Trust Fund also raises funds through gaso-line taxes currently at 4 cents

The Highway Users Federawhich cannot be used for any tion says that there has been

rising petrol prices by cutting hack on journeys or using more fuel efficient cars. About 20 slates last year increased petrol taxes.

Some states may also issue At national level, roads are bonds to fund individual roads. nanced mainly through the investors are repaid out of tolls levied on vehicles using the which, like state authorities, road. Parts of Interstate 95 running through New Jersey, Delaware and Maryland are, for example, heavily used tool roads financed by bonds.

A.T.

Juin 1982



Communauté urbaine de Québec

(Province de Québec, Canada)

Emprunt 16 3/4% 1982-1988 de 15.000.000 de \$ Can.

Banque Nationale de Paris

Banque Bruxelles Lambert S.A.

Wood Gundy Limited .

Amro International Limited Banque Worms

Banque Générale du Luxembourg S.A. Bayerische Landesbank Girozenirale

Merrill Lynch International & Co. Grenier, Ruel & Cle Inc.

Kredietbank International Group

Conson's mast execution bittiness, man a ment giph. No membership record, 2 bies, dozens of danceship composition, introduced Coherent Acts. Happy hour \$49 pm. If required superby three-course since not 1975, pits private and tas. Entitioned for gipters withdraig below 3 cm., 3 pm. 2 am., 581.

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LEGAL NOTICES

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THE CHASE MATHEMAN A PROPERTY CALLS
IN THE MATTER OF THE COMPANIES ACT 1748
AND IN THE MATTER OF DE LUXE TRAVELS (LTINDON) LIMITED

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Further to our natice of March 23 1882, EDR holders are informed that Toubakimoto has paid a divident to holders of record March 31, 1982. The cash dividend sayable to Yen 3.75 per Common Stock of Yen 500 per share. Pursuent to Clause 8 of the Deposit Agreement the Depositery

has converted the net amount after deduction of Japanese withholding taxes, into United Steles Oollers.

20R holders may flow present Coupon No. 3 for payment to the undermentioned agents.

Payment of the dividend with a 15% verticating tax is subject to receipt by the Oepasitary or the Agent of a valid of dails of resource in a country having a day treatly or agreement with 100 may given the benefit of the reduced withholding rate. Countries Carrenty having a day for the countries Carrenty having such arrangements are as follows:

A. R. of Egypt F. R. of Jenneny The Control Spain Australia Finland No. 222 and Sweden Belgium France 121 may Switzerland Broth Hungary 529 C Korea United Standard Instance Carrenty Response Carrendy Car

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Now complete TOWER FLATS to cent, unfurnished

£4,500 to £24,000 p a. Company applications welcome

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ART GALLERIES

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Ring 01-628 4372 or 01-588 2110

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT Need Office: The Timencial Times Limited, Breslam Hause, 13 Eastern Street, Landon ETAP 687, Teles: Mid-6871, Teles: Mid-6871

INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES Ameterium: P.O. Bez 12%, Ameteriem-C. Teles: Madrid. Expresserie 32, Madrid 3, Tal: 442 6772, 16527, Tel: 276 7%, Zirmingham: Editorial and Advartising Grange
Monumerter: Editorial and Advartising Grange
No., Green St., NZ 5H7. Telest 55653.3 Tel:
052-664 9782. Bean: President 11/104 Merselles 2-10. Telez: 60F. Tel: 535 1364. Housew, Katamorky 14, Apartment J. Messew, Katamorky 14, Apartment J. Messew, 1604, 7rd 512 9037.

Caire: P.S. Bex 2040. Tel: 751492. Dublin: 25 South Frederick St., Dublin 2. Telez: 25414, Tel: Dublin 603378. Short, 1912 2018, Takes 72494, Editorial 7st, Control SPI 2007, Ro States 65, Sales 2611-2612, Short, EA2 2788, Takes, 72494, Editorial 7st, Control SPI 2007, Ro St Jacks 21, Restl. 7st, 031-225, 6120, Advantation 7st, 031-225, 6129, See S. Telen, c/o Restler, Franklat: Editarial Frankpastes 71.81. Teles: 416052, Tol: 1578 157. Advertising Selskittstr, 54. Teles: 416193, Tol: 7578-0.

1404. Tel: 512 9037.

Bassas Aires: Edificie Ofice Pice 7, No. 74

Reculting Pices, R.Y. 2003. Edificial Teles.

Reculting Pices, R.Y. 2003. Edificial Teles.

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234073. Tel: (222) 503 4625. Advartising Teles.

234073. Tel: (222) 507 83500. Rune: Editorial Via delle Mercado SS. Telesc 6/XSS. 74: 678 3374.

Hendraul. Tel: US32 656469.
Lieben: Praca de Alegria 52-19, Lieben Z. Telez: Burkline, Worklandton B.C. 20045. Talent 446340.
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Startbolm: Editorial Sugardy Supplieder, Startamberages 7. Yeley: 17603, Tel: 50 60 85. 5-755166.

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Financial Times Monday July 12 1982 Companies and Markets NEW YORK	WORLD STO	CK MARKETS	17
Section Sect	Total	1	1908 July 9 Price Fride Frid
Page	July B July 5 July 5 High 1983	145.2 85 East Asiatic 87,9 375 540 Most Heinelsty 746	High Low Frs. All Alusuinse

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MONEY MARKETS

Base rates set to fall

A steady reduction in Bank of the authorities' relaxed attitude the long bill rates continued to England money market dealing to lower interest rates. Ever come down in later days so the rates last week led to strong since the climb to 16 per cent pressure built up for a cut in the opeculation that clearing bank last year, base rates have been more significant rates for sbort base rates will sooo be back to the 12 per ceot level of last me. while during the nine summer. Base rates fell to 12 months, sterliog has riseo to per cent oo March 10 1981, but nearly DM 4.30 from about jumped to 14 per cent on September 16, and 16 per ceot oo Cober 1, as sterliog weakened from over \$2.20 in the spring to interms of the Franch franc. In October 1, as sterling weakened from over \$2.20 to the spring to less than \$1.50 by late summer. Over the same period the pouod'o Britaio's major trading com-trade-weighted index, oo Bank of petitors have faired even worse England figures, fell from over 100 to the mid-S0s.

In the following nine mnoths sterling has lost about agether 6 cents to the dollar, but its index has risen to around 91, and heed very steady for some time.

This is obviously the key to (band 4) by 1/8 per cent, and as

BANK OF ENGLAND TREASURY BILL TENDER

.... £100m £100m Tep accepted rate of discount 11.7923% 13.2335% £417,445m £422,735m 'Average £100m £100 rate of discount' 11,7492% 12,2513% 'Average yield.....' 12,10% 18,08%

Average yield....... 12.10% Amount on effer at next tender.... £100m

to terms of the Freoch franc. In other words the currencies of against the strong dollar, creatiog further problems for the UK competitive position in export

with their high yielding paper throughout the week, and in the latter part of the week very few authorities. Everything poioted to a cut of per ceot in base rates, but by Friday afternoon there was still no move. Perhaps National Westminster would authorities was through repur- National Westminster would chase agreements. Discount prefer someone else to set the

WEEKLY CHANGE IN WORLD INTEREST RATES

LONDON	Jety 9	change		July 9	:ehengs
Base rates 7 day interbank 5 mth interbank Treasury Bill Tendar	125g-1913 121g-125g 11,7492	—0,4821 —1,8	Federal funds 3 mth Treasury Bille 0 Mth. Treasury Bille 3 Mth. C D	101 ₉ 123 ₄ .13 11,86 12,26 14,20	Unch'd -8.00 -0.69 -0.70 -1.05
3 Mth. Tressury Bills	184 112 11rs 127 184 112 11#	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	FRANKFURT Lombard Discount of the Mth. Interbank Three month PARIS Intervention Rate	9.0 9.45 2.55	Unch'd Unch'd Unch'd
One month Bills Three month Bills	7.84375 7.88125	'Unch'd	1 Mth. Interbank Three month	15	-16
BRUSSELS One month Three month	1018 13 1	—āg	MILAN Die month Three month	10 ;3 20 ;}	_1e _14
AMSTERDAM One month Three month	914 914	+4	DUBLIN Dne month Three menth	19 :3 191 ₂	÷÷ —:e

FT LONDON

accepted bid.... £97,00 £56.9m

INTERBANK FIXING

3 months	U.S. dollars
bld 137:18	effer 158i l
0 manthe	U.S. dollars

LONDON MONEY RATES

	Starling Certificate of deposit	Interbank		Local Auth- negotiable bonds	Finance House Deposits	Company	Discount Market Deposits	Treasury Bills ¢	Eilgible Bank Bills &	Fine Trade Sills ¢
vernight days notice	=	12-14-19	1278-1958 1278-131g	=	=	123-134	10-1212	=		=
days or days notice		185g-13 13	124	=	=	1278-13	124-124		=	_
ne month wo months	12 % 12 % 12 % 12 %	121 ₂ 185 ₈	1214-1218	13-1234 1278-1912	12½ 12%	127g 13 127g	i 117a	12-12 -	12 - 12 4 12 13 +	1a ;1
Three months	18 ta 12 ta	121 ₇ 125 ₆ 121 ₆ 191 ₆	19 15 12 15	12/g-121g 12/4-117g	12/8 12/8	1278	1134-1178	1135-1178	110-11-6	1253 184
line months ne year	12 lg 123g	124 124 124 124		195 ₃ .123 ₈ 125 ₃ .123 ₆	195g 12 ;;	! =	=	=	= 1	_
WO YEARS			13	 !					i	

per cent.

Approximate selling rate for one month Treasury bills 12-12½ per cent: two months 11½-11½ per cent: three months 11½-12½ per cent: three months 11½-12½ per cent. Finance Houses 2ase Rates (oublished by the Finance Houses Association) 13½-2 per cent from July 1-1362. London and Scottash Clearing 2ank Rates for lending 12½ per cent. London Clearing Bank Deposit Rates for sums at seven days' notice 9½ per cent. Treasury 8/18: Average tender rates of discount 11.7492 per cent. Certificates of Deposit (Scries 5) 13 per cent from July 9. Deposits withdrawn for each 10½ per cent.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

July 9	Sterling	U.S. Dellar	Canadian Doller	Dutch Gullder	9wiss Frano	D-mark	French Franc	Italian Lira	Zeigian Conv.	Franc Fin.	Yen	Denish Krone
Shert term	125:13 125:125: 125:125: 125:125: 125:125: 125:125: 125:125:	1559-1318 14-141a 1412-1434 1413-1518 1536-1559 1514-1512	10-17 16-17 16-17 163-1658 163-17 17-1714 17-1714	9.914 878-8 878-8 878-978 915-858	2-214 2-214 4-5-478 4-4-478 5-4-578 6-4-578	8%-878 84-839 854-879 854-875 95-955 95-955	141s.10 141g-15 141g-15 151g-15 151g-155q 1034-1714 171g-18	18-20 1876-2015 20-2054 21-2136 2112-22 2134-2258	1512-1412 1412-1213 1412-1312	141g-13 147g-151g 15-6-15-16 15-6-16-18 151g-1514 15-1614	312-654 353-654 613-714 712-739 714-739 718-74	8-21 ₂ 12-131 ₂ 15-161 ₂ 15-1 ₄ 171 ₂ 1059-181 ₃ 171 ₂ -12

SDR linked deposits: one month 12½12½ per cent; three months 12½12½ per cent; aix months 13½13½ per cent; one year 13½13¾ per cent. ECU haved deposits: one month 11½12½ per cent; three months 12½12½ per cent; six months 12½13¼ per cent; one year 12½13¼ per cent. Asran S (closing rates in Sangapore); one month 14½15½ per cent; three months 15½16½ per cent; exit eix months 15½15½ per cent; one year 15½16 per cent; four years 15½16 per cent; five years 15½16 per cent; four years 15½16 per cent; five years

CURRENCIES AND GOLD

Late fall by dollar

improvement in M1 mooey supply figures. Europeans seemed keen to push down the U.S. curreocy after mid-week, but met with some supply figures. Europeans seemed kech to push down the U.S. curreocy after mid-week, but met with some resistance from the members of the loternational Monetary Market to Cbicago. The dollar tourhed record levels on Wednesday, and continued to advance the following day as U.S. operators reversed the weak early trend set to Europe. The U.S. unit touched DM 2.5165 against the D-mark, the highest for 11 months; SwFr 2.15 against the Swiss franc, the highest for 10 monoths: and FFr 6.9950 10 mooths: and FFr 6.9950 against the French fraoc. so all time closing high after touching FFr 70010.

Duries the week the dollar also rose in a record against the hira of L1.4051, and to a 51 year ably to high against sterling 26 System. the pound fell 10 \$1.7080. Gold the palind fell 10 \$1.7080.

But despite U.S. preference for its own currency, lower Federal funds and broker loan rates no Friday proved ton hard to resist, the dollar as U.S. interest rates and the dollar floished the week

The dollar advaoced to new at DM 2.4870, compared with eaks in oervous foreign DM 2.4760 seven days earlier; at

The Bank of France steadily reduced domestic interest rates, and the Belgiso National Bank cut Treasury certificate rates on Friday as both the French and Belgizo francs traded comfortably io the European Mooetary

THE DOLLAR SPOT AND FORWARD

July 9	spread	Close	One month	p.a.	months	p.a.
UKt	1.7070-1.7300	1.7255-1.7265	0.33-0,38c dis	-2.47	1.24-1.29dls	2.93
Irelandt	1,3795-1,3840	1,3820-1,3840	0.53-0.43c pm		1.35-1.20 pm	3.69
Canada	1.2785-1.2855	1.2785-1.2800	0.19-0.22c dis			-1.56
Nethlod.	2.7385-2.7540	2.7400-2.7430	1.50-1.40c pm		4.37-4.27 pm	6.31
Belgium	47.32-47.70	47.401-47.4212	2c pm-par		6-2 pm	0.34
Danmark	8.5850-8.6270	8,5900-6,6000	0.90-0.65ora pm		1.00-0.50 pm	0.34
W. Ger.	2.4840-2,5050	2.4865-2.4875	1.32-1.27of pm		3.80-3.75 pm	6.09
Portugal	84.75-85.50	85.05-85.40	30-130c dis			10.35
Spaln	112.40-112.85	112.40-112.50	70-80c dis			-7.82
italy	1,391-1,398	1,391-1,393	51-61 lira dis			-5.45
Norway	2.3650-2.3780	6.3650-6.3750	0.50-0.90ore dia			-1.07
Frence	6.8980-2.9350	8.8965-8.9015	0.30c pm-0.20 di	a 0.87	0.50-1.00dis	-0.32
8weden	2.1450-6.1610	8.1450-6.1550	0.60-0.40ors pm		1.75-1.55 pm	1.07
Japan	254.50-257.00	254.90-255.00	1.70-1.62y pm		4.95-4.85 pm	7.69
Austria	17.51-17.56	17.51-17.513	1012-51 gro pm		301-271, pm	6.52
Switz.	2.1075-2.1340	2.1085-2.1095	2.00-1.92c pm		5.58-5.50 pm	10.47

THE POUND SPOT AND FORWARD

t	July 9	spread Day's	Close	One month	% p.s.	Three months	% p.a.
l	U.S.	1.7170-1.7300	1.7266-1.7265	0.33-0.38c dis	-2.47	1.24-1.28dir	-2.93
Ł	Canada	2.2010-2.2125	2,2013-2,2023	0.90-1:00c dis	-0.31	2.70-2.80dis	-5.00
	Nethind.	4.72-4.76	4.72-4.74	13-13c pm	3.48	4-31, pm	3.17
	2elgium	91.60-82.20	81.79-81.89	2-18c dis	-1.91	48-58 dle	-2.59
7	Denmark	14.81-14.86	14.82-14.83	17-24 ors dis		101-117-dia	
	Iraland	1.2445-1.2586	1.2470-1.2480	0.62-0.74p dia	-8.54	1.97-2.16du	-0.62
7	W. Ger.	4.274.31	4.281-4.291	15-15pf pm		34-35 pm	3.15
	Portugal	145.00-147.30	145.80-147.30	70-255c dla		250-755dis	-13.66
i	Spain	192.70-194.80	194.30-194.60	160-185c dia			-11.05
٠	Italy	2,398-2,407	2,4031,-2,4051,	13-12 lira dia		47-52 dia	-9.23
-	Norway	10.93-11.01	10,981,-10.931,	372 45 ore dis	-4.44	104-114dis	-9.89
7	France	11.90-11.94	11,90 ¹ 2-11.91 ¹ 2	dia يوني 11-31 عود 13	-2.52	81-101-dis	-3.19
	Sweden	10.58-10.65	10.62%-10.63%	14-14ers dis	- 1.76	47e-57 dra	-1.95
,	Japan	438-443	4391-4401	21,-15y pm	5.45	5½-5½ pm	5.11
•	Austria	30.10-30.30	30.20-30.25	114-8 ¹ -gro pm	4.02	231-23 pm	9.47
	Owitz.	9.63-3.6712	3.637-2.647	Z's-Z'sc pm	7.83	7-6½ pm	7.42
4		l-: 1- 1					

FORWARD	RATES	AGAINST	STERLING
			ab 7 40

French Franc Swise Franc	T			4.2285	1.7730 4.1598
Japaneas Yan	4	1.91 11.91 .64 3.637 40% 438.3	76 3.6332		12.4599 3.4158 419.4
EMS EURO	PEAN	CURR	ENCY	UNIT	RATES
	ECU central rates	Currency emounts against ECU July 8	% change from central rate		Divergence
Daniah Krone 2 German O-Mark 3 Franch Franc 6 Dutch Gullder 6 Irish Punt 0	2.23400 2.33379 6.61387 2.67971 0.691011	45.0003 8.17735 2.38406 6.57174 2.60689 0.586580 1323.40	+0.07 -0.69 +1.30 -0.64 +1.13 -0.64 -1.59	-0.16 -0.92 · +1.07 -0.87 ·+0.90 -0.87 -1.99	±1.5501 ±1.6430 ±1.0588 ±1.3940 ±1.5004 ±1.6691 ±4.1369
	Belgien Franc Daniah Krone Germen O-Mark Franch Franc Dutch Gullder Irish Punt Italian Lira Changes	Belgien Franc 44.9764 Daniah Krone 2.23400 Germen O-Merk 2.13378 Franch Franc 6.81387 Dutch Gullder 2.57971 Irish Punt	Currency emounts Currency emounts Currency emounts Currency emounts Currency emounts Currency emounts Currency Curre	Currency sentents Curr	Belgien Franc 44,9764 45,0003 +0.07 -0.16 -0.92 -0.87 -0.8

OTHER CURRENCIES					CURRENCY MOVEMENTS			CURRENCY RATES		
	E 134,642.54,682		Austria		July 9		Mergan Guaranty Changes		Bank Special rate Drawing Rights	Eurseea Curranc Units
Australia Dellar 2 razil Cruzerra Finiand Markka. Greok Drachma. Heng Keng Pollar IranRiol Kuwalt Dinarik Di Luxembourg Fr. Maisysia Gelfar Naw Zealand Dir. Saudi Arab. Riyal Singapore Dellar Bth. African Rand U.A.E. Dirham	502.00 120,64 121,20 10,13 10,151,20 10,13 10,151,40 0,4955 0,4965 21,72-81,89 4,061-4,08 2,3315-3,3355 5,9340-5,9325 5,703,-3,713,1,19884-1,9930	175.40.170.22 4.7630.4.7650 70,16.70,96 8.8760.5.8830 25.00 0.2575-0.28776 47.40½-47.42½ 1.3593-1.5541 3.4390.3.4410 1.1527-1.1541	Itely	88,65-89.6c 21.2 14,75-14.8c 21.2 11.87-11.99 U.S. dollar 191.4 4,203,4-307 Ganadian dollar 191.4 6,2 9370-9413 Austrian schilling 117.0 85,1 441.4460 86 121.0 85,1 10.89-10.99 Deutsche mark 124,6 168-158 164-158 Guilder 145,1 15,8 10,56-10.66 Franch franc 73,2 73,2 1,71-173 Van 132,9 13		+26.7	Canadian F Austria Sch. Baigian F Danish Kr Cuilder French Fr Lira Yen Yen Syanish Pta. Swedish Kr Swedish Kr	10.50: N/A 234 19.0641 19.0641 19.57347 11 9.57347 71-52073 278.706 28 122.083 122.083 10 6.70046 61-2.2522 2.50222 2.5022	0.94782 1.21838 16,6438 45,0003 8,17735 2.36406 8,60889 8,07174 1523,40 242,501 3,04427 100,772 5,83860 2,01507	
† Rate shown for sterling 37,500-37			encial rate: 64,691	1-64,731 acainst	Bank of England 1 1975=190).			Greek Dr'ch	ate for July 9	1,66,9112 1,397790

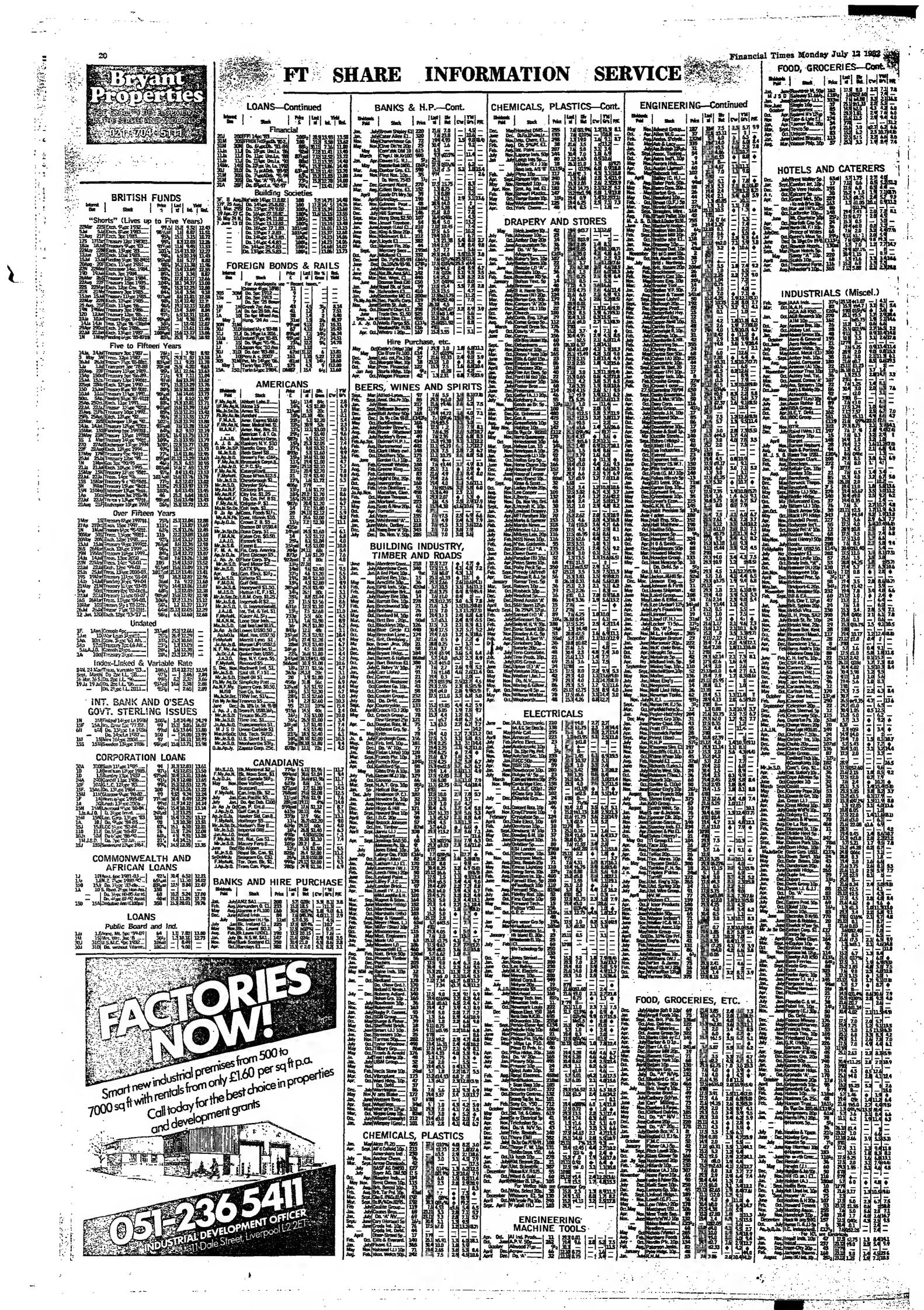
sterling 37,500-37,550 against dollar.

EXCHANGE CROSS RATES										
July 9	Pound St'rling	U.S. Dollar	Deutschem'i	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Gulid'	Italian Lira	Canada Dollar	Zelgian Franc
Pound Sterling	0.579	1.726	4.293	440.3	11.21	3.640	4,785	2406,	2.202	81,84
U.S. Dollar		1.	2.487	255.1	6.900	2,109	2,743	1323,	1,270	47,42
Deutschemark	0,253	0,402	1.	109.3	2,775	0,848	1.10ă	530.2	0,513	19,07
Jepenese Yan 1.000	2,271	3,920	9.750	1000.	27,05	8,258	10.78	5462.	3,001	185,9
French Franc 10	0.240	1.449	3.504	359.6	10.	3.056	3,976	9019.	1,849	58,72
Swiss Franc	0.275	0.474	1,172	120 <u>.2</u>	3,272	1,	1,301	060.2	0,605	83,48
Duich Guilder	0.211	0.336	0,907	22,98	2,313	0.769	1.	507.8	8,465	17.29
Italian Lira 1,000	0.416	0.712	1,785	183,1	4,953	1,614	1,969	1000.	0.918	54.04
Canadian Deller	0,454	0.784	1,250	200,0	0,409	1,653	2,101	1092.	2.390	37.17
Seigian Frans 100	1,222	2,109	6,243	-837,0	14,65	4,448	5,785	2938.		100.

ET UNIT TRUST INFORMATION SERVICE

FT UNIT	TRUST INF	ORMATION	SERVICE
Alabery Unit Tst. Magrs. (a) 1-3 St Part's Counthand ECAP 40X 01-2 High focusing	26 1832	ED TRUSTS	Flidgefield Numagement Ltd. 01-3806/96 1 Findury So., ECZA 190 lacente UT
Gdls & Freed Int	Crescent Unit 7st. Magrs. Ltd. (a)(g)	L & C Unit Trust Management Ltd., The Stock Exchange, London EC21114A 588 2800 L&C Inc. Pand (\$2.8 1571)-14 0.99 L&C Ind & Gen Fd (\$9.1 107.4 -0.9 1.54	Redirectallol Asset Management St. Switchin's Love, London EDS 01-626-4356 NC American Prop 9 1 510-508 10-626-4356 New Sub-Princia Geober 21 Management 28. NG Prop. 1745 1 1854 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
UK Growth 39.3 Acc Unix 52.4 56.5 Worldwide Bond 109.3 112.2d +0	2 D 40 Crr. High Dist. 45.1 48.5 -0.1 9.5 3.99 Crr. International 77.5 79.5 -0.1 1.2 1.59 Crr. Reserves 55.9 60.5 +0.2 49. 14.90 Crr. Tolya 75.1 37.9 +0.4 0.3	Legal & General (Unit Tst., Mingrs.) Ltd. 5 Replaigh Rd., Brents-cod 0277 217238 South Dr. 1972 105.11 40.21 423	Rothschild Asset Management (a) (g) (z)
Equitis Prog. 1852 Allen Harvey & Ross Unit 7st, M 45, Combil. Conten EC3V 3PB. 01-6 AHR GH: Trust	Page 25 Developing Totales, Devon T09-6/E 0803-86227	Leonine Administration Ltd. 2 St Mary Ave. FC3A 88P. 01-623-6114.	7.3-80, Garrente va. 22°3 137.5 = 0.1 1.88 N.C. Encome Fd. 22°3 147.1 14
Nambro Hse, Notton, Errettende, Errettende (1077) 211459 & 227123 Balenced Funda Alirel 1s. 1220 98.4 - 0: Brit, Indy, Fund 190.2 85.6 - 0.	36/38 New Brief St. ECZM 1NU. 01-638 448 Disc. Inc. July 2	Lloyds Ric Unit Tst. Mingra. Ltd. (a) Revision's Dept. Goring-by-Sca.	Remen Unit Trust Negt. (a) Cav Gare Her. Findour Sr. ECZ. 01-606 1066 America July B. 177-0 Separate July 6. 177-0 Separate July 6. 177-0 Separate July 9. 66.0 J. 0, 41.0 J. 0,
Hambro Acc. Fund 21.6 27.9	E. F. Winchester Food Mont. Url.	Baismed 98 1373 +0.1 4.68 Do. (Access) 98 139.3 +0.1 4.68 Energy int. 97 38.3 328 Do. (Access) 98.4 228 Do. (Access) 98.4 228 Do. (Access) 98.4 229 Do. (Access) 99.3 229 Do. (Acces	Fined in: 111.0 114(0 +1.0) 1249 High Int. 111.5 112.9 +1.0 1248 Royal Life Fd. Mgmt. Ltd. New Hill Plant Livergood 1673 3HS 051-227 4422
Enably Medical 47 3 74.2 -0 3 11.5 7	Equity & Law Up. Tr. M. (a) (b) (c)	Do. (Accusts.) 171 1941 -0.1 6.55 int. Technology 1829 -0.9 0.55 Do. (Accusts.) 1829 -0.9 0.55 7 N. American & Gent 16 47.6 -0.3 163 7 N. American & Gent 16 47.6 -0.3 163	Conty Trust 28 7 24 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Pacific Fund		Smell Cos. & Rocy 514 627 +0.1 299	Reynel Tst. Cars. Fel. Migris. Ltd. 48-50, Cannen St., Leadon EC4nf 6LD 01-236-6044 Capital Fund 100.6 100.11 1.00 Income Fund 17-7 30.1 100 Prices on June 30. Next de ling day July 15.
Recisery	641 Far East Yst. Acr. 206 256 -0.3 0.0 1.24 General Yst. 252 2034 -4.5 3.55 Fidelity International Management Ltd. 20. Abstruct Lare. London ECAN 7AL 283 93.	2, St. Mary Ave. EC3A 88P. (0.423 6114 Egyity Accurt. (2)	Save & Prusper Broup 4, Great St. Neters, London ECSP SEP 68-73 Queen St. Edinburgh EN2 48NK Dreisons No: 02-554 8099 or 031-226 7353
Income Exempt	9 - 77 American (2) 1383 4.2 0.3 2.16 Americ Spec Stst. 12) .5.1 27.2 - 0.2 1.50 Get & Fried Int	Lincil Authorities with the control structure of the control of th	International Founds 14.2 2.75
Anderson U.T	36 6181 James Finlay Unit Trust Mingt. Ltd.	M & 6 Group (y)(c)(2) Three Guny, Tower Hill, EC3R68Q, 01-626 4588 American, 70.0 75.3 -0.2 2.45	Increasing Income Family High-Yield - 1982 High-Yield - 1982 State Cos. Inc. Fd. (62.1 67.9 - 6.55) Filigh Income Family Gitt & Full Int. Inc 62.0 62.0 62.0 62.0 62.0 62.0 62.0 6
Welve Guth Fd. Inc., 135.4 38.11 145.9 47.4 47.4 47.4	47 8827 J. Finlar High Income _ 36.0 38.7 96	Australization 58.3 60.2 -0.2 236 (Account Units) 59.4 61.6 -0.3 236 (Account Units) 59.4 61.6 -0.3 277 (Account Units) 120.7 129.2 -0.4 3.77 (Account Units) 120.7 120.2 (Account Units) 120.2 (Acc	LIN. Frends Giff & Feet, Int. Geth. 159.0 UK Egety. 66.7 Certage Funds (2) Certage F
Capital Growth	3.00 Frankington Unit Mgt. Ltd. (a) 246 64 Leader Web FC2M SND. 01-628 518	(Accept 16-10) 623 67.0 +0.2 3.91	Sector Funds Controllity
Eastern & Internal, 41.9 47.2	1 522 Am Tarrend 814 87.0ml +0.81 1.83	Extra Virid	Financial Secs
High (negation)34.9 37.6 -0.1 (Accumulation)65 0 66.71 -0.2 (Model Wildebauer) 36.1 69.6 -0.3	10.72 Int. Growth Fo	General Units 4235 455.3 40.6 681 Gift Income 4235 55.9 40.2 11.61 Gift Income 1114.0 122 for 40.1 0.52 High Income 1114.0 122 for 40.1 0.52	Execute incorner (2007) 136.1 1460 Execute incl. (2007) 136.1 136.1 1460 Execute incl. (2007) 136.1 1461 Execute incorner (2007) 136.1 146.1 1461 Execute incorner (2007) 136.1 146.1 1461 Execute incorner (2007) 136.1 146.1 1461 Execute incorner (2007) 136.1 146
North American	1374 Robert Fraser Trust Mgt. Ltd. 1374 28b Albemarie St., W.L. 01-493 321: 252 Robt. Fraser Ut. Tst. K6.7 70.4(Issue	Schroder Unit Trust Managers Ltd. 14. James St., WC2 24. James St., WC2 25. James St., WC2 26. James St., WC
Archeov Fund	31 6233 Philham End, Darking. Tel. 885002 1 7.56 Friends Prov. Units 171.0 75.9 -0.21 4.51 Do. Accum	Paramer 121.0 151.9d = 1 4.70	Capital 1992 413 243 Account Unit 1 208 1402 1994 410 245 Ingoing Find. 1995 406 245 Ingoing Find. 1995 406 407 1992 Account Units) 4624 4972 -10 792 Gen. 1995 1994 1995 1997 Account Units 2044 2993 1993 1995 Europe 223 299 -01 438 Account Units 272 224 -01 438
Arkwright Fd July 6 100.1 105.5 Barclays Unicom Ltd.(a)(c)(2) Unicom Ho. 252, Romand Rd, E7. 01-5.	4.73 Public Trustee, Kingsway, WC2. 03-405-4304 Capital July 8	Specialized Funds Trustee 180.6 195.1 7.14 Lacona, Units) 434.0 468.7 7.14 Chardond July 6 24.3 96.8 13.13 Chardond Lake 6 14.3 96.8 14.3 9.8	Smother Co. 156.7 177. 10.8 +0.4 1.72 (Accent Units) 168.2 180.8 +0.4 1.72 (Accent Units) 151.7 55.5 -1.0 0.86 (Accent Units) 51.9 55.7 -1.0 0.86 (Accent Units) 61.5 4.5 0.73 0.73
Do. Capital	5.19 G.T. Unit Managers Ltd. 8.65 16, Firshery Circus, 512W 770. 01-628 8131 528 G.T. Cap. Income	Manul.He Management Ltd. St. George's Way, Stevenson. 0438 56101 Gits8Pod Int	Galt & Fived 50.1 527 +0.5 11.39 14.5 11.39 14.5 11.39 14.5 14.5 14.5 14.5 14.5 14.5 14.5 14.5
Do. General 34.9 48.2 Do. Gett & Farl, Int. Inc. 47.8 49.5 Hol. Gett. & Farl, Int. Inc. 47.8 49.5 Hol. Gett. & Farl, Int. Inc. 47.8 49.5 Hol. Gett. & Farl, Inc. 47.8 49.5 Hol.	17.69 G.T. W.S. & Geo	Mayflower Management Co. Ltd. 14-18, Gressen St., EC2V 7AU. 01-606 8099	Gecum Units
Do. Prf. A'rs, Tsz. 54.9 53.3 Do. Recovery 66.7 71.7 40.2 Do. Trustee Fund 16.8 4 181.64 -0.8 Do. Wicherde Tst. 49.9 52.5 d 401. Fres. In Fd. Arc. 114.5 123.1 -0.0 Do. Income	487 G.T. Tech & Gh. Fri. 177.7 83.5 -0.6 8.77 552 G.T. Europeen Fund. 1878 96.5 -1.0 3.00 2.03 561 G. & A. Trust (a) (g)	McAnady Fund Management Ltd. Resis Nos. Kine William St., ECA. 03-623-6751	Scottish Amicable law. Magrs. Ltd. 190 St Vincet St. Glasgow. 041-248 2323 Equity Treat Accum(12.5 121-51 1.4 5.47 Scottish Equitable Food Mgrs. Ltd.
Baring Brothers & Co. Ltd.	G & A	Delph Inc. Tst. Inc. 24.4 26.0a	28 St. Andrews Sq. Edinburgh (33) 556 9101 Income Units [67.1 71.4 3 12 Accum, Units [90.2 96.0] 5.12 Dealing the Wednesday. Scottists Widness' Fund Management
Stack Exchange, Lendon, EC2N H13. 01-58 Stack Exchange, Lendon, EC2N H13. 01-58 Stack Exchange 29, 1276-5 Acc. Units **June 29, 1399.2 Gray Line habe 6, 1331.4	American Trust	Mercay Fund Managers Ltd. 30, Gresham St., EC2P 2EB. 01-600 4555	P.O. Fox 902, Edmburgh EH16 5811 031-655 6000 Pegsals Tt., May 91 [96.0 103.2] 40.11 SIMCO Meaney Funds 6h, Cornor Street, ECON 6AE 01-236 1425
Story Let, July 6 333.4 355.9 Access July 6 390.4 Access July 6 390.4 Access July 6 390.4 Access July 13 390.4 Acc	1517 20 10 to 10 10 10 10 10 10 10 10 10 10 10 10 10	Inc. Recovery	SIMCO Call Fandt
Incord	159 Inc. & Gerin, Exermys. 122.6 133.7 +0.4 5.64 1717 Inc. & Gerin, Exermys. 122.6 133.7 +0.4 5.64 1717 Inc. & Gerin, Exermys. 122.6 133.7 +0.4 5.64 171.7 (Acc.) = 48.3 5.1 +0.2 1.87 5.64 171.7 (Acc.) = 47.4 51.3 (Acc.) = 47.4 51.3 (Acc.) = 47.4 51.3	Midland Bank Group Unit Trast Managers Ltd. Corpood Hous, Sher Street, Head.	45, Cherkotte So., Edinburgh, **American Fund
Design *Toe , tweel +Thurs Thics Job 6778 Britannia Ep. of Unit Trusts Ltd. (a) Saistury House, 31, Finsbury Circus, London 01-638 0478/0479 or 01-588 2777	Govett (John) (c)(g) 77 London Wall, EC2 01-586 5620	Capital 12.3 34.9d +0.3 4.13 0.2 0.2 4.2 4.0	Dod, Thes. & Fn Wed - Word & Ther. Stin Alliance Fund Management Ltd., Sun Alliance Hor., Horsham. 0403 64141
UK Specialist Flands Assets 1143 Assets 1343 Assets 13	5:84 Grieveson Management Co. Ltd. 3:89 59 Gresson Street, EC2P 2DS 01-606 4433	Do. Acr. 96.2 26.2 3.84 Gill & Fink Im. 45.6 47.5 +0.4 12.02 Gill & Fink Im. 45.6 47.5 +0.4 12.02 High Yield 62.9 68.0 -0.1 8.19 Do. Acc. 87.3 94.3 -0.1 8.19 Income 63.7 68.6 -0.1 6.35 Do. Acc. 87.1 96.3 -0.1 6.35 Jupon and Pacific 62.5 67.7 +0.3 2.27	Equity Jane 9 5357-80 376-70 425 The Family Find 137,9 1868 402 436 Swiss Life Pen. Tst. Man. Co. Ltd.(a)(c) 9-12 Chesuside, London, EC2V 641. 01-236 3841 Equity Pol. 1017-9 422
High Looping Fluids 176.5 \$2.9 -0.6	8.66 Sergin, H.Y. July 8 168,1 178,74 18.25 19.67 19.6	Do. Acc. 64.2 66.5 +0.2 227 North American 64.7 48.1 = -0.2 3.56 Do. Acc. 51.1 55.0 -0.1 3.56 Outroots Growth 63.4 46.74 +0.2 3.00 Do. Acc. 50.3 54.0 +0.2 3.00	Eastly Dist
Sector Specialist Funds Contradity Starres 85.5 92.2 Francis Secs. 95.5 101.98 -12. Gold & Greenal 115.7 22.5ed -12. Inc. Tract Starres 83 62.94 43.2 Mineralt 92.2 53.0 40.9 Prop. Shares 22.2 53.0 40.9	1.50 Corona Units) 135.0 144.1 +22 2.73 3.25 1.0 2.75 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0		31, Gresham St., E.C.2. Dealings 0296 5941. Commodity 559 60.11 +0.48 2.77 Gold Fund for 33.5 8.08 +0.3 1.53 Gold Fund for 568 6.48 +0.4 7.65 Gold Fund for 568 6.48 +1.17 7.65
Prop. Shares 22.2 23.9	2-60 Guardian Royal Ex. Unit Mgrs. 1.td. 0.46 Royal Exchange, EG3P 3DN 01.6288011 2.19 Guardiili Tst	Minster July 2 44.6 46.6 7.61 Exempt July 20 216.1 120.1 7.89 Man A Unit Trust Brognant Ltd. Old Quoen Street, SWIA 936. 01-222-5177	Financial
American Growth 40.0 43.1 +0.1 Am. Smaller Co 46.7 65.4	133 Henderson Administration (a) (b) (c) 133 Prenair UT Admin. 5, Reyleigh Road, Hutton, 320 Sembood, Essex. 0277 21728 202 U.C. Fords 47.9 45.0 1.1 573 202 2	Marray Johnstone U.T. Mgnt. (2) 163, Hope Street, Glasgow, G2 2UH. 041-221 5521	Malaysia & Singre
General Famils Capital Acc	418 Recovery 48.0 43.1 4.95 3.76 Cap. Growth 100.0 108.6 40.3 1.95 4.62 Act. Units. 110.1 118.4 40.3 1.96 3.13 Inc. & Assetts. 40.9 43.9 40.3 7.22 5.55 High Incomp Funds	Mutual Unit Treat Managers (a)(2) Broad St. Ave., Signified St., EG2. 01-638 3901-2.	Extra locame 55.7 59.9 40.4 10.93 Perference Share 11.6 12.64 Equity 51.2 57.2 40.4 6.21 Processional July 7 225.2 233.5 6.56 Eqty, Ex. Acc. June 30, 498.1 536.3 6.56
Sheld 55.2 99.5	Pref. & GRL 42.0 44.2d +0.1 13.74	Mutual High Vid	Trades Union Unit Trust Managers 100, Wood Street, E.C.2. 01-628-8011. TUUT July 1(65.1 69.3
B.S. Units June 29 281.4 299.2	6.77 Fixed interest	48, Gracethyrch St., ECSP 3HH. 01-623 4200 NPI Ght. N. Tst	Barbican July 8
Income 28.6 31.0 Index. 32.9 33.30 Index. 32.9 32.0 Index. 32.9 32.0 Index. 32.9 32.0 Index. 32.9 32.0 Index. 32.0	206 World Wide July 9 1673 1567 40.4 4.67 10.0 10.0 10.0 10.0 10.0 10.0 10.0 10.	161, Chempide, EC2V 6EU. 01-606 6060 Capital IAcum, 1052 1131 +0.5 3.08 Energy 1st. 1358 384 -0.5 1.56 Extra let. 1358 384 -0.5 1.56	Accast: United 96.7 102.9 5.60 Fielding Int. Laby 8 104.4 110.3 4.67 Lactum: United 111.5 17.8 4.67 Lactum: United 131.5 17.8 4.67 Lactum: United 131.5 17.8 4.67 Lactum: United 137.5 17.8 Lactum: United 137.5 17.1 Lactum: United 137.5 Lactum: U
Buckmaster Management Co. Ltd. The Stock Exclusive, EC2P 2.IT. 01-58 Book hem Fd July 8(81.1 86 Out	Pacific Sm. Cot	Growth Ins. 197.0 115.0d +0.1 4.69 income - 47.5 51.0 +0.1 4.97 juganese 8 Pac. 67.6 52.0 45.1 +0.3 1.65 North Am-Gaelt, 12465 47.6 -0.3 1.12 Portion Ins. Fd. 77.6 82.1 +0.3 3.82 Recovery Page. 63.1 46.3 46.3 3.82	Actum. units.
Conffed July 7 3 5.3 54.9 54.9 54.9 54.9 54.9 54.9 54.9 54.9	25 Srit. Co. (0) 156.3 1623 40.9 229 229 229 229 229 229 229 229 229 2	MEL Trust Managers Ltd. (a) (g) Milton Court, Dorldon, Surrey. 0306 687766 Nelson Child III 746 78.5	Tymdal Managers Ltd.(a)(h)(c) 18. Cargore Road, Brisnal. 0772 75241 24. Castle Sc., Edeburgh. 0772 75241 25. 1166 Capital. Castle Sc., Edeburgh. 1772 feet +0.4 4.27 Cacama Uniss) 2502 276.01 +1.0 4.27 Income 95.4 10.1 40 -0.21 10.00 Accum Units) 255.5 240.8 4.6 10.00
2-6 High St., Potters Bar, Hens. P. Ser Can. Gen Dist. 199.8 52.5 +0.2 Do. Gen. Accum 20.1 73.7 +0.2 Do. Intoxer Dist. 36.4 38.3 +0.2 Do. Intoxer Dist. 66.9 64.3 +0.3 Do. Int. Accum 66.9 64.3 +0.3 Dist. & Part. Int. Trust. 66.5 27.9 +0.4	4.69 Hexagon Services Ltd. 4.69 4 Gt. St. Heles, London ECSP 3EP 01-551 0094 8.69 Brewin Ind. Gr. Inc	Next International JSLS 38.7 462 Next International JSLS 55.5 462 Next International JSLS 55.5 462 Next International JSLS 56.5 462 OL-606 4477	Income 95.6 101, 4ml -0.2 18.00
Carmon Fund Managers Ltd. (2) 1, Oympic Way, Wembley, HA70MB. 01-90 Carmon Goth, Trust	28676 45 Bereis St., ECZP 2 X 01.42880111 54 00 British Trust 3.02 54 00 Control Trust 3.12 189 (g) Dollar Trust 3.02	Morwich Union Insurance Group (b)	Accum Units 70.6 67.34 -0.1 5.05 71.0 -0.2 5.05 72.0 -0.2 5.0 5.0 5.0 5.0 5.0 5.0 5.0 5.0 5.0 5.0
100, Old Broad St., EC2N 180, 01-58 Ceptal 126,9 135.11 126,9 17.9 17.9 17.9 17.9 17.9 17.9 17.9 17.9 17.9 17.5 1	86010 (g) Friends Trust 120 14 - 127 236 (h) Friends Trust 120 14 - 126 35 (h) Grid & Frid Jee, Tet. 9 4 1185 253 (h) High Yield Tst. 9 9 9 9 9 9 1	Paral Trust Maringers Ltd. (a (g)(x) 252, High Holborn, WCLV 7EB. 02.405 8441, 520 Accum Units 455 49,0 402 520 Accum Units 787 41,740 772 520 Accum Units 787 41,740 772 520 520 520 520 520 520 520 520 520 52	Names Resources 115.0 122.0 -1.0 198 Access Units 156.4 168.2 1.0 1.0 198 Scot. Inc. 1786 181.24 -0.4 10.27 Access Units 161.0 162.6 100.8 10.8 10.8 10.8 10.8 10.8 10.8 10.
Carry, Sebag Unit Trust Managers, 7/63, Princes St., Manchester 061-23 Carr, Sebag Cap. Fd. 440 46.8 -0.1 Carr, Sebag Inc. Fd. 229 31.8 -0.1 Carr Sebag Far East'n. [22,7 237], Cent. Bd. of Fin. of Charcts of Engla	5565 to Net Resource 19: 19 52 525 525 525 525 525 525 525 525 525	(Accum Units) 70.7 76.1 -0.4 6.18 Pelican Units Admin, Ltd. (g)(x): 57-63. Princess St., Manchester. 061-236 5685	.un. Wall Ex. Inc.Genth.1227 24.6 —0.1 11.11 Account. InflitS
77 London Wall, EC2N 1D8. 01-58 hrs. Famil June 30	8 1815 3 Frederick's PL Old Jewry, 822 02-586 4111 501 313 HK American Tst 27.7 30.1st	Purpetual Unit Trust Magnet. (a) (z) 48, Nort St., Henley on Thumes 049126868 Growth 69,9 31, 320	Tynisi & Co.—Deposit Fireis Devend Fund — 12.20 Money Fund — 12.20 Whathorsed—Cept Deposit Funds. TSB Unit Trunts (b) (c) (y)
15, Meargate, London, EC2. 01-63	84121 HK Income 1st	Practical invest. Co. Ltd. (y)(c) 44. Stormbuy So., WCIA 2RA D1-623-8993 Practical July 7	PO Box 3, Keen Hoo, Andover, Hants, 2010 19G. 1954 A2188. Dealings to 0864 A3430.3 158 American 559 494
Income Jone 30	7.% Investment Bank of Ireland (a) Premer UT Admin, 5 Rayleigh Road, Hutton, (g) Brestwood, Essex (02777.2),1459 1279 Ball Set & Charles (2011.3 38)	Provincial 126s Inc. Co. 144	De Accum
Austrafian (2)	(a) Brestmood, Essex (50.0 53.8) 3.38 1-54 1-54 1-54 1-75 1-75 1-75 1-75 1-75 1-75 1-75 1-75	Profile For East	Ulster Bank (a)
Smiller Co's Trust	1432 Inte Smell Courte_1069 1163 -64 340 362 Key Fand Managers Ltd. (a)(g)	Profil. Portfello Magrs. Ltd. (a) (b) (c) Holbom Barr, ECIN 29N, 01-405-92: 1 Professio	Maria Street, Hennia. 10232 35231. Malt Trust Account & Marie. Lint. Roge Hee, King William St. ECAR 98. 01-423 4951. Francis Hee, Fund
	Key Income Fund	Quiliter Management Co. Ltd. 31-45 Grethum Street EC2 01-600 4177 Ometrant Gen. Fd	Prices are in peace upless otherwise indicated and
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Financial Times Monday July 12 1982 **INSURANCE & OVERSEAS MANAGED FUNDS** Pope 6, New York 1912 365, 2013 457, | Henderson Admin. & Man. (Cinemasy) | Henderson Admin. & Man. (Cinemasy) | 7 New St., St. Peter Port, Surmary | 040124541/2 | American (US ceres), | 106 5 | 1113 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 114 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1144 | 1 Westly dualing Family Castras research 1.50 Parally Int. 11. E. T. Binnangerment 1.50 E. T. Binnangerment 1.50 E. T. Binnangerment 1.50 E. T. Pinch Borrd Fund. 197.0 ief. Currency Famil D. Mark Self-Yang J. 10.6 J. 10.7 J. 1 Petric Managery Services Capital Capit Instruction of the control of the co ver Hill, ECSR 680. (D-626 4588. Provincial Life Assurance Co. Ltd. 1037(433) (1037(43) (01-283-3933 Hearts of Oak Benefit Society 01-283-3933 129, Kingmany, London, WC28-6NF 01-404-0393 1001 — Property Florid 122 1234 — Managed Paris 112.0 1234 — 1 Henderson Administration II Austin Friera, London, ECZ. Git Edgel Fund. III Austin Friera, London, ECZ. Git Edgel Fund. III S. 113 - 0.2 Git Edgel Fund. III S. 113 - 0.2 Git Edgel Fund. III S. 113 - 0.2 Git Linear Henderson. III S. 113 - 0.2 III S. 113 - 0.2 III S. 114 - 0.5 III S. 115 City of Westmiaster Assurance Action House, 479, Sibury Boulevard, Mikton Keynes, 6807 21. Mett Prop. Fund. 221,0 2227 21. Equity or 18 22. Series 22 22 22. Mett Prop. Fund. 221,0 2227 21. Equity or 18 22. Prise Rativit. Prp. 177.5 HIB Sastruel Life Assur. Ltd. NIA Twr. Additionable Rd. Crop. 01-6th 4395 Security First 108.5 British Fuest 108.5 International Fuest 108.7 Lotine Furst Imperial Life Ass. Co. of Canada 77258 Continental Life Insurance PLC 64/70 High St., Cryston CR0 95N 01-600 5225 Munoged Funds Cto. [110-5 225] Pensions blogd Fd Cap. [2047 110.3] CCI Hand, Fad. 1910 90.0 CCI Hate Interme Fd. 1910 97.0 CCI Hate Intermed Fd. 1910 97.0 CCI Hate Interm



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FINANCIAL TIMES

Monday July 12 1982

Labour

to study

banking

controls

THE LABOUR PARTY'S home

generally enthusiastic.

Bank of England Act, and

rejuvenated planning agree-ments, to ensure that the banks'

lending policies are in line with

the Government'a desire to boost industrial investments.

Increased regulation, backed

by the threat of the take-over

of at least one or more of the clearers if this does not work.

Public ownership of one

Nationalisation of all four

A final decision will have to

probably later this month. This

will almost certainly involve

some sort of compromise, taking

into account the susceptibilities

of the Association of Scientific

Technical and Managerial Staff

which wants to avoid pledges which would be seen to antag-

onise its members in the bank

Labour's Programme 1982,

being considered to improve the

flow of funds to industry. Any public stake in the banking system would be complemen-tary to the National Investment

Its agent instead of the voice

• Lahour Treasury spokesmen

in the Commons are likely to press the Government today on

the proposed changes in mone-

tary control, involving the use

of the National Loans Fund,

when the report stage of the Finance Bill comes before the

with the banks:

clearing bank.

major clearers.

ing industry.

of the City.

Commons.

HH HIGGS AND HILL

"A better way to build" 01-9428921

ISRAEL WARNS PLO: 'TIME IS RUNNING OUT'

Beirut artillery battle rages

BY JAMES BUCHAN IN BEIRUT AND DAVID LENNON IN TEL AVIV

ISRAELI and Palestinian forces in Beirut engaged in one of the fiercest artillery battles of the fighting yesterday as the Cabinet in Jerusalem expressed mate io the diplomatic efforts besieged western sector. to persuade the Palestine Liberation Organisation to withdraw from the Lebanese capital.

There bas been no serious gressing at the pace we had expected," a senior Israett Government official said after ment official said after yester-day's Cabinet session, "The PLO Beirut. Greece. which bas has been playing for time, but official links with the PLO was

time is running out."
The trapped guerrillas responded to the intensive and sustained Israeli artillery bombardments with mortar and rocket attacks against various points in cast Beirut, the first such attacks on the Christian half of the city since the fight-

The new Israeli pressure fact that they have nowhere to reflected the lack of progress goat the weekend on negotiations about the future of the 6,000 deep concern about the state. Palestinian guerrillas in the

> There were only three developments of diplomatic significance. France officially announced that she would take part in any international force prepared to provide ships to help evacuate guerrillas from west Beirut.

The Syrian announcement appears to have given the Palestinians, from fighters to spokesmen, a tremendous boost. They say that this has coocen-trated the attention of all middle of the day 30 shells fell parties to the conflict on the

Lebanese Government officials atate that the Syrians' announcement should not he taken as their final word.

Saudi Arabia, main financier of the Syrian forces in Lebanon, and the Soviet Union, Syria'a rather tactiturn strategic ally, may now play a larger role. All this will require time, which the Palestinians admit

they desperately need to save their movement from extinction. or at the very least loss of independence. Yesterday's fighting began in the early hours and intensified during the day, covering Beirut In clouds of dense smoke as

shells and rockets slammed into both West and East of the city.

every minute, and the death

toll throughout the city was

Mr Menahem Begin, Israeli Prime Minister, is reported to have told his Cabinet Israel not tolerate" the present situation in Beirut for long, and that his Government would have to start considering other paths to stalemate.

Some Israeli Cabinet Ministers have already lost all patience with the mediation efforts of Mr Philip Habib, the special U.S. envoy, who is trying work out an agreement on evacuation of Palestinian forces from Beirut.

One unnamed Minister was cited on Israel Radio yesterday afternoon as saying that either Mr Habib was deceiving bim-self, or was trying to deceive a peaceful end to the crisis.

Israell fire rains down, Page 2

Extra £1bn sought for councils

AN INCREASE of at least against overspenders without year and bas never been conments are asking for more fibn io money available to penalising underspenders, and templated by either side as a although education is apparently being sought from the Cabinet, at penalties bave failed.

The absence of action means, and most of the Department of for the second consecutive year, by Mr Michael Heseltine, the on White Paper assumptions, Environment Secretary.

Last year be argued success-cash terms. It is this figure fully in Gabioet that £1.3bn which local and central governshould be added to local authoment officials bave used orities' current speoding targets recently as a basis for a range

This was because they bad expenditure overspent last year's targets so which have heavily that there was no interpreted as demands for chance of their being able to tens of thousands of localmeet the 1982-83 figures. Even authority job-losses in 1983-84. with the extra £1.3bn Englisb couocils bave again budgeted theoretical assumption that to overspend the Government councils would be required to figures this year hy £1.4hn.

cepresentations from Mr Leon year, absorb all excesses of the Brittan, Chief Financial Secretary, that something should pay and prices and not recoup

This is because there are no the rates.

The gap for next year widens, to more than 14 per cent in of service, manpower and exemplifications interpreted as demands for

This exemplification uses a forfelt the entire accumulated The Government is oot taking any action this year against this overspending, in spite of expenditure projections for that Government's assumptions oo any of those amounts through

The exercise takes place each lng departments. All depart-

faced with the same problem in the current round of discussions about 1983-84 public expendi- pay. ture levels as be was last year. Lo He feels the planned expenditure for local authorines next year, compared with the likely

overspending, is so low as to be unrealistic. He argued then that there would be not the slightest bope of any move towards govern-meot targets if the discrepancy

out-turn this year, including the

The 1982-83 overshoot of £1.4bn is 6 per cent but if the extra £1.3bn had not been added in, it would have been at least £2.7bn or 12.3 per cent. least an extra £1bn next year is part of a general overclaim on plans of about £5bn by spend-

was so wide to begin with.

however, that Mr Heseltine is Health and Social Security in respect of the National Health Service is for

> Local authority expenditure in the current White Paper is planned to be £23.3ho cash this year and £24.2bn cash next year. This year's outturn is likely to be about £24.7bn, so, even with an extra £1bn next year, councils would have to make some substantial economies and improvements in productivity and efficiency.

Total public expenditure for next year is planned to be £120.4bn but departmental ambitions already have that figure nearer to £126bn. Mr Brittan is digging in hard to Mr Heseltine's claim for at resist all these claims but this year, as last, some upward revision for local authorities is regarded in Whiteball

Government urged to stand firm on spending

THE CONTINGENCY reserve rates of income tax or to about spending programmes for housing and transport. Capital should not be used to finance twice the expected tax and 1983-84 should therefore be expenditure on construction has excessive public sector pay royalty yield from the North financed by cuts in other fallen, pricipally outside the excessive increases, the Confederation of Sea. British Industry bas urged the Covernment.

future spending plans now Expenditure Survey Committing next year.

tee. The contingency reserve for

He criticises the fact that estimates of government spend-ing for 1983-84 have aiready should be used to finance heen increased by £11.5bn dur-geouioe contingencies and not ing the last two years. This is greater than the sum of all National Insurance contribu-tions and the surcharge paid by He feels most increases in Government, he says.

of a reduction of a third in all Any increases in current

Continued from Page 1

it regards as its rightful market

share. Iran would defend it.

"even if it has to resort to force." He indicated that he

was referring to "commercial means—presumably pric

policy—but the potentia threats of the producer emerg

ing again as the dominant power in the Gulf were clearly

Mr Abdul-Aziz al Turki, the

Saudi Deputy Oil Minister, said

his Covernment would take

action to protect demand for

Arabian light, "as it deems

Other members took seriously

the possibility of unilateral

action by Riyadh to trim the

price of Opec's reference price. Sheikh Ali Khalifa al Sabah, the Kuwaiti Oil Minister.

acknowledged that the Saudis

might widen the differential by

lowering their prices, when be

told reporters that it would not

mean "the end of the world."

But he boped any such changes

would be "kept in an extremely

Sr Humberto Calderón Berti,

the Venezuelan Energy Minister, made it clear that his

Government would oot fulfill

his threat of last week-to raise

its output if other members

were not to observe their

contained situation."

Opec

of Iran's tactics.

necessary."

Sir Terence says the CBI, which bas launched a campaign Sir Terence Beckett, CBI urging employers to keep pay Director General, has written to settlements ice in a bid to Mr Leon Brittan, Ghief Finan- restore Britain's international cial Secretary, asking the competitiveness, is very Government to stand firm on anxious that the current survey committee round should not being considered by the Public further locrease public spend-

1983-84 is £4bn. £950m more to finance extra pay increases new programmes, Sir

planned public apending have been concentrated in current It is also equal to the cost rather than capital expenditure.

expenditure current programmes.

The CBI is worried about the growing imbalance between capital and current expenditure. There has been a sharp fall of a third in the last six years in the chare of fixed investment in total public

expenditure.
"We believe that as a result Insufficient provision is heing nationalised made for the country's future. Given the present excess capacity in the supply industries we have a particularly favourable opportunity to expand public sector lovesttionary

Terence says. A GBI paper suggests the most significant declines in capital investment have been in years.

nationalised industries, and the 1982-83 planned level is barely above the 1976-77 level in real

The CBI paper urges immediate action on three fronts: o involve the private sector in profitable capital projects currently blocked by controls on government spending — roads, sewers, housing and various industry programmes:

implement the CBI recommendation to increase by £2bn funds available for investment in the national infrastructure: modify the system of spendment without adding to inflating control by extending the tionary pressures," Sir cash limits approach to total pay bills and allowing some limited carry-over of capital ex-penditure between financial

Argentina replies on hostilities

BY MARGARET VAN HATTEM, POLITICAL STAFF

maily to Britain's third request for confirmation that hostilities over the Falkland Islands bave ceased. Mrs Tbatcher, the Prime Minister, and Mr Francis Pym, the Foreign Secretary, are examining the reply, sent to London yesterday through the Swiss embassy in Buenos Aires.

The Foreign Office yesterday confirmed the reply bad been recieved and was being con-aidered by ministers but would

art of his thinking, and indeed The Saudi argument for higher differentials on premium African crude, which received some qualified support in not comment on its contents.

The indications are the reply may fall short of a formal deprinciple from other Gulf producers, is that the narrow marclaration that hostilities are over but may be sufficient to enable Britain to return the gin has put pressure on Gulf crudes and stimulated the surge in production by Algeria, Libya

in the recapture of the islands.

The British Government,
under pressure from the U.S.
and its EEC partners to
normalise relations as quickly as possible, is not insiating on a formal declaration, provided informal assurances there will be no renewed hoatilities to avoid any moves which in the foreseeable future are might be seen as seeking to considered sufficiently binding. Both the Prime Minister and Mr Pym are expected to discuss the matter with Sr Javier Perez

de Guellar, the United Nations' Secretary-General, who arrives In Britain tomorrow on a two-

ARGENTINA HAS replied for 590 Argeotine prisoners taken yesterday that Britain considers mally to Britain's third request in the recapture of the islands, the UN's role in the matter to be over, it was suggested that the Argentine reply would be discussed with the Secretary-

> The Government believes the new Argentine regime is soften-ing its position. It is anxious humiliate the regime.

It is encouraged by the return of the one British prisoner of war, Fl-Lt Jeffrey Glover, RAF, who returned to the UK on Saturday. Under the Geneva Gonvention prisoners of war must be repatriated as soon as Although it was pointed out bostillties are formally over.

Continued from Page 1

Coal Board warning

industrial earnings league; that they must enjoy the best conditions possible; and that severance payments, which could he a major element in

wage talks, must remain high. Productivity increases have been running at the rate of about 3.4 per cent for much of this year, though the June figures are considerably less than that because of the effects of the miners' sympathy action on behalf of the health service workers.

Further improvements, in the face of stagnant output, will mean continuing cuts in the mining labour force, now abont 211,000.

A strategy for achieving both manpower and ontput cuts which is likely to be increasingly adopted is that

ploneered by Mr James Cowan, deputy chairman of the NCB, when director of the Scottish area.

That is to cease production in uneconomic pits where large coal reserves atill exist; retain a core of some 100-200 miners for development work to new reserves; then re-start production when new reserves have been proved. This strategy has worked in

the Polmaise and Bogside pits In the Scottish area, both of which are expected to become profitable after years of

The same proposal for the Snowdown Colliery in Kent has been fiercely resisted, and has been promoted by Mr Scargill into a symbol for resistance to further layoffs.

Continued from Page 1

Italian

siano, as and when funds are needed. If this action were not to be sufficient, the bank could become involved as share-holders of Banco Ambrosiano. holders of Banco Ambrosiano. It is thought that the first priority is to meet the demands of the Euromarket creditors of the Latin American subsidiaries of the bank. Next will arise the Geneva Gibrir. matter of the subsidiaries' onlending of funds—an operation of saleged to have been at least Helsinki spartially covered by letters of H. Kons S. alleged to have been at least partially covered by letters of patronage by Instituto per le Opere di Religione (IOR), the Vatican's bank.

lOR has said that Sig Calvi released it from those under-takings, but a senior official of IOR said at the weekend that the organisation was prepared to assist in a rescue of Banco.

They will try to turn this into a debate on the whole operation of monetary policy, since Labour believes the powers being sought by the Government give it enormous flexibility on its borrowing.

Weather MOSTLY. sunny and very

S.W. England, S. Wales and Channel Islands
Gloudy with some thundery
rain. Max. 19C (66F). Rest of England and N. Wales Sunny periods; some thundery rain later. Max. 26C (79F).

cotland, N. Ireland Dry with sunny periods. Max. 21G (70F).

Outlook: Sunny and thundery.

WORLDWIDE

THE LEX COLUMN

Cold draught for the bankers

The central bankers meeting in Basle today are confronted with the sudden eruption of a problem that concerns all of policy committee is to consider proposals for increasing Governthem particularly closely. Economists - and even bankers ment control over the banking bave been warning for years system which range from greater regulation to nationalisabout a number of threats to the health of the world banking system, but the international ing all the hig four clearing financial markets have taken The issue is highly sensitive view of the hostility shown by come of their members towards public ownersbip. This is unlike almost all other industries proposed for nationalisation where the universe of the solvency of some banks is, in the collective and jittery mind of the markets, no longer something that can be taken for granted.

On one particularly nervous day last week bank shares were heavily sold down on Wall The Labour Party's bome policy committee, chaired by Mc Tony Benn, meets today. It Street, following the failure of a small state-regulated bank io Oklahoma. Almost simultanhas received a report from a working party which recom-mends four options for dealing taneously, a leading rating agency in Canada announced Increased regulation through the use of powers under the that it was downgrading the credit standing of Canadian chartered banks, while in West Germany bankers were meeting behind closed doors in a final attempt to salvage the heavilyindebted AEG-Telefunken.

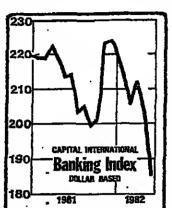
None of these problems individually would have caused markets to lose their nerve, but coming on top of the problems of Interoational borrowers such as Poland and Argentina and the blow to confidence caused by the collapse of Drysdale Securities, they had an alarming cumulative effect. By the end be taken by the party's ruling of last week, it was clear that national executive committee, some Euromarket traders were anxious to cut their exposure to some North American banks even if that meant taking a big

The capital ratios of major Western banks — with one or two exceptions, of course—have been deteriorating gradually for-some years. The average capital ratio of the major U.S. banks, as calculated by IBCA Banking Analysis, has slipped modestly from just over 4 per cent to 33 per cent since 1978 — but the published just over a fortnight ago, merely said proposals were figures would have looked worse if conservative provisions had been made against some categories of sovereign risk. On Bank, which is lotended to provide a link between funds flowing into long-term savings a U.S. accounting basis the ratios of the big four London clearing banks — generally considered institutions and industry's need among the best-capitalised banks for capital investment funds.

Labour also wants the Bank down rather more rapidity if of England to come under closer government control, and to be

Sovereign risk bas been a

well-discounted-issue for some time, but it has now reached the stage at which not even the



countries to eervice their dcht. In domestic banking the main problem was how to fund longterm fixed-interest assets when short-term money rates were gyrating in the high teens. This can be exceptionally expensive, as a few German banks found in 1979 and 1980, but the extent of the damage can be quantified, and the loss-making loans eventually fall out of the balance-sheet. The domestic in-terest margins of the Dresdner and Commerzbank have been

18 months.

In domestic aa well as international banking, the heginning of the recession brought an in-creasing scramble foc deteriorating business, with progressively as happened last week, the less creditworthy customers quoted honds of some banks commanding progressively finer take a hammering. The real terms. There was also a leap in problem comes when an inter-the amount of risk being national bank finds it cannot accepted by the banks as the fixed-rate bond market dried up tend to be better informed in the U.S. and the banking about bank solvency than any-system found itself carrying the body. And there is a vital entire burden of financial inter-distinction between technical mediation. Reduced access to the bond markets incidentally made it more difficult for the banks to keep their own subordinated loan capital growing in line with the inflationary increase in their book, while U.S. banks have been starved of new equity for as long as their shares have been laoguishing way below book value.

Over the last couple of years, the more thinly-capitalised among the banks bave been unguise the inability of some up by 50 to 75 per cent in the Reserve.

six months to April.

In the UK a few medium-sized quoted companies have gone bankrupt, but post-mortens have typically centred on the question of whether the banks behaved properly in putting in the receiver. With companies such as Marcay-Ferrison and such as Massey-Ferguson and AEG, discussions of that kind would look academic: AEG has overall bank debt and guaran-tees outstanding of about DM 5hn.

Palliative

The problem for the central banks — who have stood by while things have gone from bad to worse - is to retain confidence in the banking system while underlining the need for prudential discipline. To react to market scares by injecting enormous sums of liquidity is only a palitative The failure of a few small banks can convey a salutary warning, and given the fragmented unture of U.S. banking it does not necessarily signal a general crisis in the system. Large institutions are entirely different, because the network of interbank deposits would make it almost impossible to climbing slowly over the past contain the knock-on effects.

Recent worries in the market seeoi to have been largely confined to secondary transactions. It does not matter too much if, raise money from its peers, who insolvency-a concept understood in the U.S. insurance industry, sitting on huge nnrealised losses in its bond book, but with a tnicrable cash flow-and the inability to pay next week's wages. It is in the nature of markets

to over-react to difficulties that they may previously have ignored. And although there has certainly been a loss of confi-dence—so far on a limited scale -there does not yet seem to be able or at least unwilling to any doubt about the ability of provide fully for potential loan the regulatory authorities to losses. What is happening now keep the situation under conis that U.S. Interest rates have trol. The question of confidence stayed up for longer than is absolutely crucial, and if seemed possible, while the re- last week's fitters continue, the Sovereign risk bas been a cession bas deepened. In these central banks cannot afford to conspicuous - and so in theory, circumstances potential losses be complacent about the bave a nasty habit of becoming market's fears. Statements hy actual. To give some hint of individual hanks reaffirming the scie of the problems, the their own solvenry do no good most ingeniously designed re- loan loss provisions of the at all; what is needed is the scheduling agreements can dis- Canadian chartered banks are soothing voice of the Federal

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